

PERFORMANCE PLAN INDICATOR STATUS AT A GLANCE*

as of September 21, 2001

	Indicator ¹	Status
Students Channel	Establish a Web portal for students that will provide access to student related online services.	Dropped
	Create and launch a new products/services/delivery approach.	✓
	Launch a single, toll-free "one call does it all" number for student customer service.	Delayed
	Answer 95 % of 1-800-4FEDAID calls, and average a four rating (out of five) in weekly service survey.	●
	Increase the number of FAFSAs filed electronically from four million last year to five million in FY2001.	✓
	Process all paper and electronic FAFSAs with an average turnaround time of seven days or less.	●
	Upgrade the Student Aid Report (SAR) for the 2002/2003 School year with a plain language letter.	✓
	Analyze the results of the IRS Phase II statistical study of electronic matching of income data.*	✓
	Increase to 400,000 the total number of borrowers repaying Direct Loans through Electronic Debiting.	✓
	Retire Central Data System: transferring necessary functionality to other systems.	✓
	Process all deferment and forbearance requests within seven days of receipt at the DL Servicing Center.	●
	Provide, via the DL Servicing Web site, new Spanish language deferment and forbearance requests.	✓
	Process Loan Consolidations in 50 days or less.	●
	Increase the number of consolidation applications filed electronically by 50% in FY2001.	✓
	Keep the default recovery rate at 10% or higher.*	●
	Implement the National Directory of New Hires database matching program.*	✓
Schools Channel	Establish a program and multi-year goals to further reduce the cohort and lifetime default rates.*	●
	Increase oversight efforts by increasing Program Reviews by 20%.*	●
	Educate the foreign school community about SFA program requirements to reduce non-compliance.*	✓
	Implement a pilot program that prevents students from falsifying enrollment at foreign institutions.*	✓
	Determine the initial cohort of recertification applications of foreign non-medical schools in FFEL.	●
	Keep the cohort default rate under 8%.*	✓
	Provide each school with single SFA point of contact.	✓
	Release version 1 of the School Portal.	✓
	Release version 2 of School Portal.	Delayed
	Choose operating partners to assist in building common business processes and systems.	✓
	Develop and implement a strategy for creating a single "system" of unduplicated school data.	✓
	Complete 96% of reimbursement requests within 30 days.	●
	Develop action plans for at least 90% of the schools on reimbursement.*	✓
	Resolve 93% of school audits within six month of receipt.*	●
	Process 98% of the Direct Loan origination and disbursement records within two days.	●
	Process 98% of the Pell funding requests from RFMS receipt through GAPS within 24-36 hours.	●
	Migrate the Campus-Based System to a relational database for use in the 2001-2002 FISAP filing.	●
	Provide Direct Loan schools with results of PLUS loan credit checks within two days.	●
	Eliminate the Mid-Term Financial Aid Transcripts.	✓
	Maintain the viability and competitiveness of the Direct Loan Program.	✓
Financial Partners Channel	Provide Direct Loan schools with results of on-line entrance counseling electronically.	✓
	Establish a program and multi-year goals to further reduce the cohort and lifetime default rates.*	●
	Establish Web portal for Financial Partners to provide one stop access to SFA services and information.	Delayed
	Design and implement improvements to the core business functions.	Delayed
	Implement and monitor at least four voluntary flexible agreements for program participation.	✓
	Submit a report to Congress on the viability of expanding the VFA "pilot".	●
	Implement a centralized processing pilot project to eliminate false death and disability claims.*	✓
	Complete investigative analysis on the remaining 1,300 discharges identified from the IG audit.*	✓

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as of September 21, 2001

	Indicator ¹	Status
FP cont'd	Retire the FFEL System (Phase I).	✓
	Create the Data Mart (Phase I).	✓
CIO	Achieve 90% of the annual major modernization milestones that have been approved by the ITIRB.	●
	Implement an infrastructure to support a standard branding view of all SFA data.	●
	Reduce overall volume-adjusted operating costs for systems migrated to the data center by five percent.	●
	Convert partner interfaces from a private network to the Internet.	✓
	Use data warehousing to provide information for management reporting and trend analysis.	✓
	Build the enterprise technical architecture including Middleware.	✓
	Enhance the security infrastructure based upon the framework and policies developed in FY 2000.*	●
	Implement configuration management for SFA initiatives.	✓
	Complete the IT policies and procedures manual.	✓
	Implement three Electronic ID processes and test these with customers, external partners or employees.	✓
	Complete the migration of the Direct Loan Servicing System to the Virtual Data Center.	Dropped
	Publish Application Program Interface Standards for all technical services and some business services.	✓
	Develop the Enterprise Solution for electronic signature.	✓
CFO	Demonstrate enhanced SFA financial management.*	●
	Provide full accounting capability for all SFA programs through implementation of the FMS.*	●
	Obtain an unqualified opinion on the FY 00 SFA financial statement audit.*	●
	Enhance the activity-based costing module to track unit costs and provide quarterly managerial reports.*	✓
Enterprise Areas	Expand SFANet to be the transaction tool for SFA's internal business.	✓
	Develop and implement a national outreach campaign to promote use of key SFA electronic products.	✓
	Design and deliver a course on student aid traditions to all SFA employees by December 15, 2000.	✓
	Deliver a course on "SFA Front-to-Back" that explains the processes involved in delivering financial aid.	✓
	Implement second generation Ombudsman Case Tracking System (OCTS 2.0).	✓
	Develop feedback loops to give operating partners quarterly reports of cases specific to their unit.	✓
	Develop and implement a research agenda focused on collecting and evaluating program performance.	✓
	Implement an integrated data collection and reporting process on program data to all SFA managers.	✓
	Pilot individual team-based scorecards.	✓
	Simplify FFELP Lender Due Diligence Regulations.	Dropped
	Create an SFA Program Development Information Database.	Delayed
	Modify procedures to expedite the recruitment process.	Delayed
	Implement new employee incentives and recognition programs that support the performance plan.	Delayed
	Implement SFA Performance Development Process.	Delayed
	Implement a 'Partnership Program' to establish a better relationship with SFA Operating Partners.	✓
	Assume complete responsibility for the management of all SFA acquisitions and contracts.	✓
	Complete adoption of performance measures to appropriate legacy contracts.	✓
	Ensure new contracts include consistent and value-added performance measures.	✓
	Increase participation of small businesses in our contracts and in subcontracts by 5%.	✓
	Develop an automated contract management system to interface with SFA's FMS.	✓
	Provide performance-based training on acquisition management to all SFA managers.	✓
	Implement the recommendations of the Document Quality Control Group.*	✓
	Test all new products or modules with actual "end-users" to identify deficiencies prior to product release.	✓

*Contributes to the goal of improving the financial integrity of student financial aid programs.

¹List is not exhaustive of all SFA operating goals and improvement projects.

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	Channel	Fin INT	Action Item/ Performance Measure	Progress Summary From 09/14/01 to 09/21/01	% Complete
1	Students		Establish a Web portal for Students that will provide access to Student related online services.	<p><u>HISTORY</u> AUGUST 31, 2001: The Students Channel continues to actively participate in the CIO sponsored Portal Strategy IPT. Our high level portal requirements have been delivered to the CIO. The CIO is currently reviewing Web products that will meet our requirements. The IPT outcome will produce an SFA wide Portal Strategy including views of the Channels. Once the Portal Strategy is delivered, we will commence a detailed Student Channel content analysis. Modernization funds for this effort are pending the acceptance of the Portal Strategy document, as it will outline the funding requirements. The target completion date for this initiative has been extended to 9-30-02. Successful completion of this project is contingent on the successful implementation of the Schools Portal, and the allocation of dollar resources. The Students channel is awaiting final CIO recommendations regarding Web products.</p> <p>APRIL 27, 2001: The Students Channel continues to actively participate in the CIO sponsored Portal Strategy IPT. Our high level portal requirements have been delivered to the CIO. The CIO is currently reviewing Web products that will meet our requirements. The IPT outcome will produce an SFA wide Portal Strategy including views of the Channels. Once the Portal Strategy is delivered, we will commence a detailed Student Channel content analysis. Modernization funds for this effort are pending the acceptance of the Portal Strategy document, as it will outline the funding requirements. The target completion date for this initiative has been extended to 9-30-02. Successful completion of this project is contingent on the successful implementation of the Schools Portal, and the allocation of dollar resources. The Students channel is awaiting final CIO recommendations regarding Web products.</p> <p>APRIL 13, 2001: DELAYED. The Students Channel continues to actively participate in the CIO sponsored Portal Strategy IPT. Our high level portal requirements have been delivered to the CIO. The CIO is currently reviewing Web products that will meet our requirements. The IPT outcome will produce an SFA wide Portal Strategy including views of the Channels. Once the Portal Strategy is delivered, we will commence a detailed Student Channel content analysis. Modernization funds for this effort are pending the acceptance of the Portal Strategy document,</p>	<p>5%</p> <p>5%</p>

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			as it will outline the funding requirements. Successful completion of this project is contingent on the successful implementation of the Schools Portal, and the allocation of dollar resources. The students Channel is awaiting final CIO recommendations regarding Web products.	
2	Students	Create and launch a new products/services/ delivery approach that will increase the amount of student aid related information available to Students and Parents, including those speaking English as a second language.	<p>COMPLETED</p> <p><u>HISTORY</u></p> <p>JULY 6, 2001: This project has been completed, with the only reporting items remaining awaiting possible moratorium exemptions. “Looking for Student Aid” is a brochure on finding scholarships and applying for federal student aid without paying money for information. It suggests sources of free information and advice for the student and parent. Comments from the financial aid community have been incorporated. Brochure will be printed and distributed when a moratorium exception is granted. A teacher loan forgiveness brochure is being produced as a FSAIC item and will not be available for bulk ordering. The brochure will reflect recent changes on teacher loan forgiveness programs. Comments from SFA staff have been incorporated into the text. The brochure will be printed and distributed when a moratorium exception is granted. Several Students Channel staff visited Puerto Rico to conduct focus groups with students, parents, and teachers on a debt management publication in Spanish and English (title of publication to be determined). This publication features highlights from several current Department of Education publications including “All About Direct Loans”, “Entrance/Exit Counseling Guide for Borrowers”, and “Student Loans Driving You Crazy?” The publication is being edited to incorporate suggestions made by the Hispanic community. Internal review is complete and changes will be incorporated. Text completed. Publication will be printed and distributed when moratorium is lifted.</p> <p>JUNE 8, 2001: The English and Spanish versions of the 2001-02 Drug Brochure have been delivered to the printer. Backorders are being fulfilled.</p> <p>MAY 25, 2001: Aid Awareness final text review is complete. Other SFA staff will finish reviewing the publication by May 25, 2001.</p> <p>MAY 11, 2001: The 2002-03 English/Spanish Student Financial Assistance Glossary of Financial Aid Terms is being updated and will be distributed</p>	<p>100%</p> <p>99%</p> <p>90%</p> <p>80%</p> <p>40%</p>

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			<p>throughout SFA via e-mail on May 14, 2001 and made available on the Intranet when the Students Channel site reopens. A federal student aid poster has been developed to raise awareness about student aid scams, and to stress applying is free, and that information and advice is readily available. Feedback on the poster's design and message was obtained through list-servs and focus groups from more than 200 participants including high school counselors, students and parents. Because the poster has been delayed by the moratorium, it will be distributed September 2001. "Looking for Student Aid" is a brochure on finding scholarships and applying for federal student aid without paying money for information. It suggests sources of free information and advice for the student and parent. Comments from the financial aid community are being incorporated. We will seek student feedback after the brochure is laid out. A teacher loan forgiveness brochure is being produced as a PIC item and will not be available for bulk ordering. The brochure will reflect recent changes on teacher loan forgiveness programs. Comments from SFA staff are being incorporated into the text. The English and Spanish versions of the 2001-02 Drug Brochure are final. Delivery date is May 10, 2001. Several Students channel staff visited Puerto Rico to conduct focus groups with students, parents, and teachers on a debt management publication in Spanish (title of the publication to be determined). This publication features highlights from several current Department of Education publications including "All About Direct Loans", "Entrance/Exit Counseling Guide for Borrowers", and "Student Loans Driving Your Crazy?" The publication is being edited to incorporate suggestions from the Hispanic community. Final text review is underway.</p> <p>APRIL 27, 2001: The 2002-03 English/Spanish Student Financial Assistance Glossary of Financial Aid Terms is being updated and will be distributed throughout SFA via email and made available on the Intranet. This glossary is given to contractors (professional translators with ATA accreditation) for translation of SFA material. A federal student aid poster has been developed to raise awareness about student aid scams, and to stress applying is free, and that information and advice is readily available. We expect a printed supply to be available May 7, 2001. NOTE: Because the poster has been delayed by the moratorium, we are considering postponing its distribution until September. The Spanish version of the 2001-2002 Drug Brochure is final. Proofs from the printer will arrive this week. The English version of the 2001-2002 Drug Brochure is final. Proofs from the printer will arrive this week. Several Students Channel</p>	

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			<p>staff visited Puerto Rico to conduct focus groups with students, parents, and teachers on a debt management publication in Spanish (title of the publication to be determined). This publication features highlights from several current Department of Education publications including All About Direct Loans, Entrance/Exit Counseling.</p> <p><u>APRIL 13, 2001:</u> Contacted webmaster of the Department's "Resources in Spanish" page (Recursos en Espanole) at www.ed.gov and included links to SFA material in Spanish. These links are located at http://www.ed.gov/offices/OIIA/Spanish/resources/publicaciones.html. The HMTL versions of the 2001-2002 Funding Your Education in English and Spanish are available at http://www.ed.gov/prog_info/SFA/FYE/(March 2001). The 2002-03 English/Spanish Student Financial Assistance Glossary of Financial Aid Terms is being updated and will be distributed throughout SFA via e-mail and made available on the Intranet. This glossary is given to contractors (professional translators with ATA accreditation) for translation of SFA material. A federal student aid poster is being developed to raise awareness about student aid scams, and to stress applying is free, and that information and advice is readily available. Feedback on the poster's design and message was obtained through list-servs and focus groups from more than 200 participants including high school counselors, students and parents. The poster was sent to GPO on 3/28. We expect a printed supply to be available in four weeks. Looking for Student Aid is a brochure on finding scholarships and applying for federal student aid without paying money for information students. It suggests sources of free information and advice for the student and parent. Comments from the financial aid community are being incorporated. We will seek student feedback after brochure is laid out. A teacher loan forgiveness brochure is produced as a PIC item and will not be available for bulk ordering. The brochure will reflect recent changes on teacher loan forgiveness programs. The brochure is being distributed to SFA staff for comments and feedback. The Spanish version of the 2001-02 Drug Brochure is final.</p>	
3 Students		Launch a single, toll-free, "one call does it all", number for student customer service that will allow access to any call center.	<p>.</p> <p><u>HISTORY</u> <u>AUGUST 31, 2001:</u> The "Consistent Answers for Customers" business case was approved by the Internal Review Board on April 5. There are four components to</p>	15%

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			<p>the business case: Contact Management and Core View for Schools, Call Center Optimization, Central IVR, and Common Contact Management Application for SFA. This long-term project will be consolidated into the SFA-wide Consistent Answers solution planned to begin in FY 2002.</p> <p>MAY 11, 2001: The “Consistent Answers for Customers” business case was approved by the Internal Review Board on April 5. There are four components to the business case: Contact Management and Core View for Schools, Call Center Optimization, Central IVR, and Common Contact Management Application for SFA.</p> <p>APRIL 13, 2001: The Consistent Answers for Customers business case will be presented to the Internal Review Board on April 5. There are four components to the business case: Contact Management and Core View for Schools, Call Center Optimization, Central IVR, and Common Contact Management Application for SFA.</p>	15%
4 Students		Answer 95 % of 1-800-4FEDAID calls. Ratings for courtesy, answer speed, and overall service will average a four rating (out of five) in our weekly survey.	<p><u>HISTORY</u> AUGUST 3, 2001: The call completion level year to date is currently averaging 98.1%. Customer satisfaction, based on overall service, has continued to exceed the required goal during this quarter. The average customer satisfaction for July has exceeded a 4 rating, with 90% of the customers rating the service received a 4 (out of 5) or better.</p> <p>JULY 6, 2001: The call completion level to date is currently averaging 98.1%. Customer satisfaction, based on overall service, has continued to exceed the required goal during this quarter. The average customer satisfaction for June has exceeded a 4 out of 5 rating, with 91% of the customers rating the service a 4 or better.</p> <p>MAY 11, 2001: The call completion level to date is currently averaging 97.8%. Customer satisfaction, based on overall service, has continued to exceed the required goal during the first quarter. The average customer satisfaction for April has exceeded a four rating, with 90% of the customers rating the service received a 4 (out of 5) or better.</p>	<p>Exceeding standard</p> <p>Exceeding standard</p> <p>Exceeding standard</p>

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			<p>APRIL 27, 2001: The call completion level to date is currently averaging 97.3%. Customer satisfaction, based on overall service, has continued to exceed the required goal during the first quarter. The average customer satisfaction for March has exceeded a four rating, with over 91% of the customers rating the service received a 4 (out of 5) or better.</p>	Exceeding standard
5 Students		Increase the number of FAFSAs filed electronically from four million last year to five million in FY2001 with 50% via our web product. To help accomplish this, release the FAFSA on the Web 5.0 application in time for the 2001-2002 application cycle, making the application completion easier for users, while increasing performance and scalability.	<p>COMPLETED</p> <p><u>HISTORY</u></p> <p>SEPTEMBER 14, 2001: Application Processing has exceeded its performance measure to process 5 million applications electronically in FY 2001. As of September 2, SFA processed 5,030,157 applications from all electronic sources. Included in that total are 3,127,828 applications filed using either FAFSA on the Web or Renewal FAFSA on the Web. This is 62% of all electronic applications filed and it meets the other half of the performance measure that 50% of the 5 million electronic applications would be filed using the web.</p> <p>AUGUST 31, 2001: The 2001-2002 FAFSA on the Web was available to students on January 1, 2001, at 7:15 a.m. CT. Through August 26, 2001, there have been 10,416,169 applications processed in FY 01. Of these, 4,892,950 have been filed electronically, with 3,053,150 of them filed via the Web. To date 62% of all electronic submissions have utilized the Web. At this time, we are projecting that we will process 5,405,162 applications electronically in FY 01. Of that number, we are projecting that 3,300,982 or 61% of them will be filed via the Web.</p> <p>AUGUST 3, 2001: Through July 2001, there have been 9,560,438 applications processed in FY01. Of these, 4,327,495 have been filed electronically, with 2,726,371 of them filed via the web. To date, 63% of all electronic submissions have utilized the web. We are projecting that we will process 5,405,161 applications electronically in FY01. Of that number, we are projecting that 3,292,782 or 61% of them will be filed via the web.</p> <p>JUNE 8, 2001: Through May there have been 7,849,404 applications processed. Of these, 3,371,531 have been filed electronically, with 2,170,682 filed via the</p>	100%

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			<p>web. We are projecting that we will process 5,412,801 applications electronically in FY01. Of that number, we are projecting that 3,312,322 or 64% of them will be filed via the web.</p> <p>MAY 11, 2001: Through April there have been 6,497,980 applications processed. Of these, 2,698,708 have been filed electronically, with 1,773,351 filed via the web. To date 66% of all electronic submissions have utilized the web.</p> <p>APRIL 13, 2001: The 2001-2002 FAFSA on the Web was available to students on January 1, 2001 at 7:15 a.m. CT. Through March there have been 5,178,652 applications processed. Of these 2,099,897 have been filed electronically, with 1,367,824 filed via the web. To date 65% of all electronic submissions have utilized the web. We are projecting that we will process 5,076,017 applications electronically in FY01. Of that number, we are projecting that 2,971,549 or 59% of them will be filed via the web.</p>	
6	Students	Process all paper and electronic FAFSA's with an average turnaround time of seven days or less.	<p><u>HISTORY</u> AUGUST 31, 2001: For the 2001-2002 processing cycle year-to-date, we are processing applications in an average of 4.7 days. For the most recent reporting period, we are processing applications in 4.3 days.</p> <p>AUGUST 3, 2001: For the 2001-02 processing cycle year to date, we are currently processing applications in an average of 4.9 days. For the most recent reporting period, we are currently processing applications in 4.4 days.</p> <p>JUNE 8, 2001: For the 2001-02 processing cycle we are currently processing applications in an average of 4.72 days.</p> <p>MAY 11, 2001: For the 2001-02 processing cycle we are currently processing applications on an average of 5.5 days.</p> <p>APRIL 27, 2001: For the 2001-02 processing cycle we are currently processing applications on an average of 4.6 days.</p>	<p>Exceeding Standard</p> <p>Exceeding Standard</p> <p>Exceeding Standard</p> <p>Exceeding Standard</p>

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7	Students		Upgrade the Student Aid Report (SAR) for the 2002/2003 School year with a plain language letter that clearly explains to applicants what's next, details the information they provided, and explains how to correct any FAFSA errors.	<p>COMPLETED</p> <p><u>HISTORY</u></p> <p>AUGUST 31, 2001: The SAR has gone through an extensive transformation as a result of extensive hours of usability testing beginning in May 2000. Based on the results of the tests and feedback from students and the FAA community, the SAR has been modified to a "student" oriented form where the information/ steps are given in a sequenced manner (linear timeframe of SAR process). After additional modifications were made to the redesigned SAR, a draft was posted on IFAP for general review. To date, we have received positive feedback and suggestions on improving the format. In conclusion, APS has pending plans for the redesign and modification of the student correction pages – formerly as Part II of the SAR (Phase II).</p> <p>JULY 6, 2001: Phase II to begin in late Spring 2001 and will proceed equally as Phase I with usability testings in the summer months. The redesign group will concentrate mostly on simplifying the language on the comments page and then will look into modifying the second half of the SAR (formerly Part II).</p> <p>APRIL 13, 2001:</p> <p>The SAR has gone through an extensive transformation as a result of extensive hours of usability testing beginning May 2000. Based on the results of the tests and feedback from students and the FAA community, the SAR has been modified to a "student" oriented form where the information/ steps are given in a sequenced manner (linear timeframe of SAR process). After additional modifications were made to the redesigned SAR, the current draft is posted on IFAP for general review. So far, we have received feedback and suggestions on improving the format. In general, the feedback has been positive. In conclusion, APS has pending plans for the redesign and modification of the student correction pages – formerly as Part II of the SAR (Phase II). SAR Redesign Activities - Phase I: Input from students and FAA groups. Initial usability testing (May 2000). Second round of usability testing on the new and "raw" SAR (June 2000). Example of changes: 1. Problem: Unable to read and understand comment page on original SAR. Recommendation: Delete all FAA information and leave student information only. New design drafted and refined by workgroup. Additional comment text changes for 2001-2002. Final SAR usability testing – round 2 (July 2000). Further refinements made to design and comments. SAR draft published</p>	100%

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			on IFAP to solicit feedback from students and FAA groups (November 2000)SAR Redesign Activities – Phase II: To begin in late Spring 2001 and will proceed equally as Phase I with usability testings in the summer months. The redesign group will concentrate mostly on simplifying the language on he comments page and then will look into modifying the second half of the SAR (formerly Part II).	
8	Students	1 Analyze the results of the IRS Phase II statistical study of electronic matching of income data, and decide how to use the findings to improve our income verification sample.	<p><u>HISTORY</u> AUGUST 31, 2001: June 29, 2001: Macro provided SFA with a draft final report summarizing the findings of the Phase II statistical study. September 1, 2001: ED will provide Macro comments on the final report. September 15, 2001: Macro will submit final report on Phase II findings</p> <p>AUGUST 17, 2001: June 29, 2001: Macro provided SFA with a draft final report summarizing the findings of the Phase II statistical study. September 1, 2001: ED will provide Macro comments on the final report. September 15, 2001: Macro will submit final report on Phase II findings. October 31, 2001: Macro will deliver draft results of follow-up study to Phase II that compares Pell Payment data to IRS data to see if income information used on the applicant's Pell Paid transaction more closely matches IRS income data.</p> <p>JULY 20, 2001: Mid-July, 2001: Macro will provide SFA with additional Pell-specific data related to the Phase II study. September 30, 2001: Macro will deliver draft results of follow-up study we plan to do that compares Pell Payment data to IRS data to see if the comparison changes the results of the Phase II findings.</p> <p>JULY 6, 2001: Mid-July, 2001 – Macro will provide SFA with additional Pell-specific data related to the Phase II study. September 30, 2001 – Macro will deliver draft results of a follow-up study we plan to do that compares Pell Payment data to IRS data to see if the comparison changes the results of the Phase II findings.</p> <p>JUNE 8, 2001: NO CHANGE</p>	<p>90%</p> <p>80%</p> <p>80%</p> <p>90%</p> <p>50%</p>

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			<p>MAY 11, 2001: April 23, 2001: Macro provided SFA with a draft Executive Summary of the results of the statistical study.</p> <p>APRIL, 2001: We had to adjust the original study schedule because the contractor doing the study for SFA had an unforeseen family emergency and because the programming was more complicated than originally anticipated. We have adjusted the schedule for Phase II of the IRS statistical study as follows:</p> <p>12/26/00-Macro provided the IRS with SAS programming to perform need analysis using IRS income on the study sample and to generate statistical tables.</p> <p>1/31/01-IRS will provide SFA with requested statistical tables.</p> <p>2/9/01-Based on results of first batch of tables, ED requests additional tables from IRS.</p> <p>3/5/01-Macro requests additional tables from IRS.</p> <p>4/6/01-Macro will provide SFA with a draft report of the results of the statistical study.</p> <p>5/4/01-Macro will provide SFA with a final report summarizing the findings of the Phase II statistical study (which compares parent and student 2000-2001 FAFSA-reported income to 1999 IRS income data).</p> <p>7/17-ED provided the IRS with Phase II study sample files (50,000 independent students and 50,000 dependent students and their parents). July 17-August 4 - IRS matched ED file data with IRS master file data and extracted IRS data for statistical study. September 18-ED provided the IRS with SAS programs to: Link parent SSNs and IRS data to appropriate student application record. Determine what parent IRS income figures to use in the analysis. Substitute FAFSA income data fields with IRS income data (this program will also assume certain income earned from work values based on actual IRS AGI values).</p> <p>December 26-ED provided the IRS with SAS programming to perform need analysis using IRS income on study sample and to generate statistical tables.</p> <p>January 31, 2001-IRS provided initial statistical tables.</p> <p>February 9, 2001-ED requested additional tables based on some apparent discrepancies in some of the numbers in the IRS tables.</p> <p>February 15, 2001-IRS provided additional tables to ED.</p> <p>March 22, 2001-Error detected in output from IRS. Programming change made and sent to IRS to correct error.</p>	65%

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9	Students		Increase the total number of borrowers repaying their Direct Loans through Electronic Debiting and other electronic methods to a minimum of 400,000 borrowers.	<p>COMPLETED</p> <p><u>HISTORY</u></p> <p>AUGUST 31, 2001: An electronic debiting account (EDA) provides the borrower with an efficient means of payment that eliminates the need for check writing, mailing and postage. In addition, there are savings to SFA in processing for electronic debiting borrowers. This process provides a more consistent payment flow and error free environment. In the beginning of FY01 there were 261,236 borrowers using electronic debiting. An increase of 138,700 borrowers for FY2001 is required to meet the goal of 400,000. As of 8/31/2001, the number of borrowers on electronic debiting is 414,803. This year to date increase of 153,567 represents 110.67% of the annual goal.</p> <p>AUGUST 3, 2001: As of 7/31/2001, the number of borrowers on Electronic Debiting is 401,539. This year to date increase of 140,303 represents 101.11% of the annual goal.</p> <p>JULY 6, 2001: As of 6-30-01, the number of borrowers on Electronic Debiting is 393,662. This year-to-date increase of 132,426 represents 95.43% of the annual goal.</p> <p>JUNE 8, 2001: As of 05/31/2001, the number of borrowers is 385,668. This year to date increase of 124,668 represents nearly 90% of the annual goal.</p> <p>MAY 11, 2001: As of April 30, 2001, the number of borrowers is 372,510. This year-to-date increase of 111,510 represents 80% of the annual goal.</p> <p>APRIL 13, 2001: Electronic Debiting provides the borrower with an efficient means of payment that eliminates the need for check writing, mailing and postage. In addition, there are savings to SFA in processing for Electronic Debiting borrowers. This process provides a more consistent payment flow and error free environment. In the beginning of FY01 there were 261,236 Borrowers using Electronic Debiting. An increase of 138,700 Borrowers for FY2001 is required to meet the goal of 400,000. As of 03/31/2001, the number of Borrowers is 355,810. This year to date increase of 94,574 represents 68% of the annual goal.</p>	<p>100%</p> <p>95%</p> <p>90%</p> <p>80%</p> <p>68%</p>

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	Channel	Fin INT	Action Item/ Performance Measure	Progress Summary From 09/14/01 to 09/21/01	% Complete
10	Students		Retire Central Data System: transferring necessary functionality to other systems.	COMPLETED Retirement of Central Data Systems was successfully completed on November 19, 2000. This implementation was completed with no interruption in service and was transparent to the customer. This project resulted in significant savings to SFA operating costs and eliminated redundancy across systems.	100%
11	Students		Process all deferment and forbearance requests within seven days of receipt at the Direct Loan Servicing Center.	<u>HISTORY</u> APRIL 13, 2001: The average processing timeframe for deferment and forbearance requests was 6.45 days during March. The service Center continues to be committed to the lowest possible turnaround time.	Exceeding Standard
12	Students		Provide, via the Direct Loan Servicing Web site, new Spanish language deferment and forbearance requests.	COMPLETED With the implementation of our web site task order, borrowers who speak Spanish as a first language will not only be able to access deferment and forbearance forms in Spanish, but the majority of the DLS web site will also be in Spanish. The entire Direct Loan Servicing Web site was made available in Spanish effective February 20, 2001, at http://www.diservicer.ed.gov/ . This enhancement is made in conjunction with the School Year Software Release 2001/2002.	100%
13	Students		Process Loan Consolidations in 50 days or less.	<u>HISTORY</u> JULY 6, 2001: We are currently booking loan consolidations in an average of 46 days. JUNE 8, 2001: NO CHANGE APRIL 13, 2001: We are currently booking loan consolidations in an average of 46 days.	Exceeding Standard Exceeding Standard

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	Channel	Fin INT	Action Item/ Performance Measure	Progress Summary From 09/14/01 to 09/21/01	% Complete
14	Students		Increase the number of consolidation applications filed electronically by 50%, as a percentage of volume, or a minimum of 150,000 applications filed electronically in FY2001.	<p>COMPLETED</p> <p><u>HISTORY</u> JULY 6, 2001: Through June 2001, we received 253,412 electronically filed applications representing 73% of the total application volume. The goal of 150,000 has been met.</p> <p>JUNE 8, 2001: Through May 2001 we received 228,507 electronically filed applications representing 72% of the total application volume. The goal of 150,000 applications filed electronically has been met.</p> <p>MAY 11, 2001: Through April 2001 we received 201,279 electronically filed web applications representing 72% of the total application volume.</p> <p>APRIL, 2001: Through March 2001 we received 173,282 electronically filed web applications representing 72% of the total application volume.</p>	100%
15	Students	2	Keep the default recovery rate at 10% or higher.	<p><u>HISTORY</u> AUGUST 31, 2001: The recovery rate is comprised of the sum of ED's collections and the guaranty agency's (GA) collections on defaulted loans divided by the outstanding portfolio at the end of the previous year. At the end of FY00, our portfolio was \$28.8 billion, reflecting approximately \$12 billion with ED and \$16.8 billion with the guaranty agencies. Combined recoveries through July '01 were approximately \$4.25 billion comprised of \$1.19 billion in ED recoveries and \$3.06 billion with the guaranty agencies. At this pace, on a seasonally adjusted basis, annual recoveries will be approximately 17.5% of the outstanding portfolio. This recovery rate puts us on target to easily exceed our goal. Private collection agency combined recoveries are up 14% over FY 00. Administrative Wage Garnishment payments are up 23% over FY 00.</p> <p>JULY 6, 2001: Combined recoveries through May were approximately \$3.6 Billion comprised of approximately \$970 million in ED recoveries and with the remainder of \$2.6 Billion with the guaranty agencies. At this pace, on a seasonally adjusted basis, annual recoveries will be approximately 15% of the outstanding portfolio. June GA figures will be available the week of July 8th. As of June 30, we have passed a significant threshold with recoveries from ED and</p>	

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			<p>PCA totaling \$1,087,122,689. We are almost \$50 million ahead our recovery pace of last year. This recovery rate puts us on target to easily exceed our goal. Private collection agency combined recoveries are up 14% over FY 00. Administrative Wage Garnishment payments are up 23% over FY 00.</p> <p>JUNE 8, 2001: As of June 5, we have now passed a significant threshold with combined recoveries totaling \$1,012,485,941. We are almost \$60 million ahead of our recovery pace from June 5 of last year.</p> <p>MAY 11, 2001: Combined recoveries through April were approximately \$2.7 billion comprised of approximately \$800 million in ED recoveries and with the remainder of \$1.9 billion with the guaranty agencies. Administrative Wage Garnishment payments are up 25% over FY 00.</p> <p>APRIL 13, 2001: The recovery rate is comprised of the sum of ED's collections and the guaranty agency's (GA) collections on defaulted loans divided by the outstanding portfolio at the end of the previous year. At the end of FY00, our portfolio was \$28.8 Billion. Combined recoveries through March were approximately \$2,496 Billion. At this pace, on a seasonally adjusted basis, annual recoveries will be approximately 15% of the outstanding portfolio. This recovery rate puts us on target to easily exceed our goal. Private collection agency combined recoveries are up 10% over FY00. Administrative Wage Garnishment payments are up almost 23% over FY00.</p>	
16	Students	3 Fully implement the National Directory of New Hires database matching program to enhance default recoveries and resolutions.	<p>COMPLETED</p> <p>HISTORY AUGUST 17, 2001: As of July 31st, SFA has collected over \$106,000,000 as a result of receiving NDNH data. The month of July alone generated a total of \$24,284,593 in collections through this initiative. SFA anticipates receiving collection data from the guaranty agencies that participated in this match within the next couple of months. Since matching efforts with HHS began, new information has been obtained on 690,621 accounts, whose unpaid loan balances total approximately \$3,209,718,229.</p> <p>JULY 6, 2001: As of June 30, 2001, SFA has collected over \$82,000,000 as a result of receiving NDNH data. The month of June alone generated a total of</p>	100%

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			<p>\$24,552,559 in collections through this initiative. SFA anticipates receiving collection data from the guaranty agencies that participated in this match within the next couple of months. Since matching efforts with HHS began, new information has been obtained on 690,621 accounts, whose unpaid loan balances total \$3,209,718,229.</p> <p>JUNE 8, 2001: On May 24th, results of SFA's second match with HHS' NDNH database were calculated. SFA sought to match 1.25 million collection records against HHS' database, with almost half being guaranty agency records. The match produced data on a total of 461,728 accounts, with unpaid loan balances totaling approximately \$1,181,255,690. As of May 31, SFA has collected over \$57,000,000 as a result of receiving NDNH data. The month of May alone generated a total of \$22,895,110 in collections through this initiative. SFA anticipates receiving collection data from the guaranty agency that participated in this match within the next couple of months. Since matching efforts with HHS began, new information has been obtained on 690,621 accounts, whose unpaid loan balances total approximately \$3,209,718,229.</p> <p>MAY 11, 2001: On April 27th, the second match tape was sent to HHS/OCSE and included data from eight guaranty agencies of the FFEL community. The participating agencies vary by size, and were selected by the NCHELP Debt Management Committee. The agencies participating are Texas, Oklahoma, Pennsylvania, New Jersey, Iowa, Louisiana, USA Funds, and Massachusetts. A "live" match tape containing 1.25 million collection records was sent to HHS/OCSE for matching against the NDNH database. Of this total, 673,689 records were from the SFA database, and 581,277 were from the participating guarantors. The results from this submission should be received by the week of May 21. Collections results data received from the initial match continue to grow at a steadily increasing rate. Since the initial match at the end of January, approximately \$35 million has been collected primarily through this initiative. Security Addendum signed by heads of both agencies. Interagency Agreement outlining cost of the match signed by heads of both agencies.</p> <p>APRIL 27, 2001: Since the initial match at the end of January, approximately \$19 million has been collected primarily through this initiative. On April 28, 2001 the second match will occur and include participation of eight guaranty agencies. The agencies</p>	

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			<p>vary by size and were selected by a committee. The agencies participating are Texas, Oklahoma, Pennsylvania, New Jersey, Iowa, Louisiana, USA Funds, and Massachusetts.</p> <p>MARCH 2001: Security Addendum signed by heads of both agencies. Interagency Agreement outlining cost of the match signed by heads of both agencies. A "live" match tape containing 1.9 Million ED Collection records was sent to HHS/OCSE on December 27th for matching against the NDNH database. Match Results received from HHS/OCSE on January 23, 2001. Results indicate the following: Successful hits: 1,092,454; Eligible for collection activity (according to statute's requirement of <\$16,000 annualized income): 424,508: Total Revenue of eligible accounts: \$2,027,150,175.52. Data received from the initial match was added to borrower accounts on February 1, and was included in the transfer to contract collection agencies on February 3. Matches are anticipated quarterly, with the next match scheduled to occur in late March or early April. ED expects to include ten guaranty agencies in this match as a pilot before allowing all agencies to participate. The ten agencies will vary in size, and will be selected by their committee. In an effort to assure that information is used for accounts whose annualized income exceeds \$16,000, ED's programming will only return accounts that meet that requirement back to the guaranty agencies.</p>	
17	Students	4 Based on the "Fall Repayment Symposium," establish a program and multi-year goals to further reduce the cohort and lifetime default rates.	<p>HISTORY AUGUST 31, 2001: SFA is developing a toolbox of flexible due diligence practices and creating a consortium of key GAs and financial institutions to share information relating to default aversion best practices and new technologies. Texas and New York have accepted as well as Citibank. Major efforts will begin in FY 02. The repayments unit is developing tools to understand the payment habits and other attributes of the borrower. Reports have been created identifying various "buckets" of delinquency in 30-day increments through period up to delivery to collection agency (360 days delinquent). Reports have been created that identify basic characteristics of the delinquent borrower, i.e., length of time in repayment, school type, loan type. In partnership with Equifax, we implemented a small pilot using the Equifax NCHELP Credit Modeling tool to determine the priority of due diligence effort and the increased collection efforts. The pilot was originally</p>	85%

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			<p>designed to be for only 50 borrowers, but has been expanded to 1000 borrowers because of initial results with repayments via the smaller pilot. SFA ASFA (delinquency unit) has increased call attempts to delinquent borrowers prior to going into default. Different color envelopes were used for delinquency notices for a test group of delinquent borrowers</p> <p>AUGUST 17, 2001: Developing a toolbox of flexible due diligence practices. Created a consortium of key GAs and financial institutions to share information relating to default aversion best practices and new technologies. Texas and New York have accepted as well as Citibank. Developing tools to understand the payment habits and other attributes of the borrower. Created reports identifying various “buckets” of delinquency in 30-day increments through period up to delivery to collection agency (360 days delinquent). Created reports that identify basic characteristics of the delinquent borrower, i.e., length of time in repayment, school type, loan type. Implemented small pilot using the Equifax NCHELP Credit Modeling tool to determine the priority of due diligence effort and the increased collection efforts. The pilot was originally only 50 borrowers and has been expanded to 1000 with varying degrees of delinquency. Increased call attempts to delinquent borrowers prior to going into default. Used different color envelopes for delinquency notices for a test group of delinquent borrowers.</p> <p>MAY 11, 2001: NO CHANGE</p> <p>APRIL 27, 2001: Met with NCHELP to identify Guaranty Agencies (such as Texas Guaranty and New York Guaranty) currently utilizing risk assessment models (default predictability models). Met with Direct Loan servicing vendor to identify the rate of success of the current default aversion tools utilized with the Direct Loan Portfolio. Developing a toolbox of flexible due diligence practices. piggyback with a consortium of key GA’s and financial institutions to share information relating to default aversion best practices and new technologies. Developing tools to understand the payment habits and other attributes of the borrower. A book was developed based on the Fall Repayment Symposium. This book will assist in developing a plan to help meet the goal of reducing future default rates. Identified all current practices</p>	<p>50%</p> <p>50%</p> <p>5%</p>

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			<p>of default aversion utilized by Direct Loan Servicing. Created reports identifying various “buckets” of delinquency in 30-day increments through period up to delivery to collection agency (360 days delinquent). Created reports that identify basic characteristics of the delinquent borrower. I.e. length of time in repayment, school type, loan type.</p> <p>FEBRUARY 2001: A draft book was developed based on the Fall Repayment Symposium, and is currently in review. This booklet will assist in developing a plan to help meet the goal of reducing future default rates. Identify all current practices of default aversion utilized by Direct Loan Servicing. 05/30/2001 Rate success of current methods of default aversion used by Direct Loan Servicing. 08/31/2001 Define a draft of life default rate model (i.e. predictability model to identify characteristics that may lead to default of a loan). 09/30/2001 Create a consortium with key GAs to share information relating to default aversion best practices and new technologies. 09/30/2001 Develop a draft of flexible due diligence requirements and links to incentives. 06/30/2002</p>	
18	Schools	5 Increase oversight efforts by increasing Program Reviews by 20%. In FY 00 we performed approximately 130 on-site reviews.	<p><u>HISTORY</u></p> <p>AUGUST 31, 2001: As of August 27, 2001, a total of 131 program reviews have been completed. We expect to complete 163 program reviews by September 30, 2001, which will be 100% of our stated goal.</p> <p>AUGUST 3, 2001: As of July 30, 113 program reviews have been completed.</p> <p>JULY 20, 2001: As of July 16, 104 program reviews have been completed.</p> <p>JULY 6, 2001: As of July 2, 100 program reviews have been completed.</p> <p>JUNE 22, 2001: Ninety-one program reviews have been conducted.</p> <p>JUNE 8, 2001: Eighty program reviews have been conducted.</p> <p>MAY 11, 2001: As of May 9, 67 Program Reviews have been conducted.</p> <p>APRIL 13, 2001:</p>	

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			On schedule. The Case Teams were reminded of the importance of program reviews on Dec 22, 2000. Case Teams developed plans to assure that reviews are completed by the end of the fiscal year, contingent on availability of travel funds. Case Team plans for conducting 163 program reviews are complete and 51 reviews have been conducted and entered into the PEPS database as of April 9, 2001.	
19	Schools	6 Educate the foreign school community about SFA program requirements to reduce non-compliance. (Examples of possible efforts include developing a Student Financial Aid Handbook for foreign schools, or providing additional training)	<p>.</p> <p><u>HISTORY</u></p> <p>AUGUST 31, 2001: From May 27 – May 31, 2001, staff of the Foreign Schools Team attended the NAFS International Educators' Conference in Philadelphia, PA. During the conference they operated an SFA booth to provide SFA eligibility and program information, as well as demonstrate the electronic Application for Participation in Title IV SFA programs to representatives of foreign schools, foreign organizations, students and Servicers. From June 3-5, 2001, staff of the Foreign Schools Team partnered with the Vermont Student Assistance Corporation and the USA Funds to present technical training in eligibility and FFEL program participation. This training was conducted at the Atlantic Association of Colleges and Universities Student Services (AACUSS) held at Mount Saint Vincent University, Halifax, Nova Scotia, Canada and at the Canadian Association of Student Financial Aid Administrators (CASFAA) held at McGill University, Montreal, Canada. A camera-ready copy of the Handbook will be ready by September 30, 2001.</p> <p>AUGUST 3, 2001: On July 5, 100 comments on the final Draft of the Foreign School Handbook were received from focus group participants. These comments are being collated by chapter and delivered to the contractor for inclusion in the Handbook. From June 3-5, 2001, staff of the Foreign Schools Team partnered with the Vermont Student Assistance Corporation and the USA Funds to present technical training in eligibility and FFEL program participation. The training was conducted at the Atlantic Association of Colleges and Universities Student Services (AACUSS) held at Mount Saint Vincent University, Halifax, Nova Scotia, Canada and at the Canadian Association of Student Financial Aid Administrators (CASFAA) held at McGill University, Montreal, Canada. From May 27-31, 2001, staff of the Foreign Schools Team attended the NAFSA International Educators' Conference in Philadelphia, PA. During the conference they operated an SFA booth to provide SFA eligibility and program information,</p>	<p>80%</p> <p>50%</p>

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			<p>as well as demonstrate the electronic Application for Participation in Title IV SFA programs to representatives of foreign schools, foreign organizations, students, and Servicicers.</p> <p>JUNE 8, 2001: The Foreign Schools Team in the Schools Channel continues to offer specific training to targeted segments on the electronic application to participate, Title IV requirements, and debt management counseling for students. The IG has revised their schedule for completion of the Audit Guide to September 2001. In the interim, the Guide will be sent to OPE for review. Comments due July 7. The IG will then issue the Guide on July 31 for public comment, specifically from organizations like AICPA. The review period will be 30 days. Issuance in draft will occur in September 2001. At that point the draft can be used, with the final revisions in the March – June 2002 timeframe. The IG is requesting Secretary Paige’s approval of a \$500,000 threshold for full compliance audits. For foreign schools that receive less than this, the audit requirements will be simplified.</p> <p>APRIL 27 2001: There are 487 postsecondary schools in countries outside the United States that participate in the FFEL program. The OIG is developing an SFA audit guide specifically for foreign schools. Scheduled completion is June 2001.</p> <p>MARCH 2001: On schedule. There are 509 postsecondary schools in countries outside the United States that participate in the FFEL Program. Their participation helps Title-IV-eligible students attend schools located outside the United States and receive funding under the FFEL program only. SFA is developing a new publication, the Student Financial Aid Handbook for Foreign Schools. Its purpose is to aid and guide foreign institutions that are participating in the FFEL Program. Scheduled completion is 9/30/2001. The OIG is developing an SFA audit guide specifically for foreign schools. Scheduled completion April 2001. The Foreign Schools Team in the Schools Channel continues to offer specific training to targeted segments on the electronic application to participate, Title IV requirements, and debt management counseling for students.</p>	50%

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20	Schools	7	Create a process that would prevent students from being able to falsify enrollment at foreign institutions by implementing a pilot program with the national student loan clearinghouse to better track student enrollment at foreign schools. Based on the effectiveness of the pilot program expand the initiative or identify alternative measures to eliminate falsified enrollment at foreign schools.	<p>COMPLETED</p> <p><u>HISTORY</u></p> <p>SEPTEMBER 21, 2001: The pilot program is over. Several recommendations about foreign schools, including falsifying enrollment have been gathered. Regulations and/or legislation is required to address several issues with foreign schools.</p> <p>AUGUST 3, 2001: One of the school pilot participants (McGill University) has sent a letter withdrawing from the pilot, as it was too burdensome. McGill had the largest enrollment of the pilot schools. No decision has been received from the Clearinghouse.</p> <p>JULY 20, 2001: ED sent the Clearinghouse a letter in March 2001 requesting to extend the Pilot for another year and to make minor modifications. A decision from the Clearinghouse Board is pending. ED is also considering regulatory changes to require verification of student enrollment at foreign schools prior to loan disbursement. ED needs to consider GA workload and funding for this task, time zones, hardship on students, and burden on foreign schools. CMO met with OPE Policy Group on April 10 and presented briefing paper on recommendations for statutory and regulatory changes for foreign school compliance issues. Recommended that we promulgate regulations requiring lenders to verify admission of students before delivering disbursements directly to students. Consider whether to keep current requirement of notice to school by lender that disbursement has been made. 682.207(b)(1)(v)(E). Also, include a school responsibility provision that requires the school to provide this information to the lenders. One of the school pilot participants (McGill University) called in June to alert ED that they would be sending in a letter withdrawing from the pilot as it was too burdensome. The letter has not yet been received. McGill had the largest enrollment of the pilot schools. No decision has been received from the Clearinghouse.</p> <p>APRIL 27, 2001: CMO met with OPE Policy Group on April 10 and presented briefing paper on recommendations for statutory and regulatory changes for foreign school compliance issues. Recommended that we promulgate regulations requiring lenders to verify admission of students before delivering disbursements directly to students. Consider whether to keep current requirement of notice to</p>	<p>100%</p> <p>70%</p> <p>50%</p>

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			<p>school by lender that disbursement has been made. 682.207(b)(1)(v)(E). Also, include a school responsibility provision that requires the school to provide this information to the lenders.</p> <p>APRIL 13, 2001: Letter was sent March 19, 2001 to the Clearinghouse requesting that the pilot be continued for another year. Clearinghouse Board has not made a decision on continuing. In spring 2000, ED identified guaranty agency and potential foreign school participants. In July 2000, the National Student Clearinghouse, three guaranty agencies and nine foreign schools began participating. By December, only seven of the nine participating schools had completed one full submission of student enrolling data on the Clearinghouse website. During the Pilot, guaranty agencies were able to conduct pre-disbursement enrollment checks for some loan applications. Non-matches were verified with the school. Because some schools were not able to complete their student enrollment data entry prior to their students submitting loan applications. Some loans were disbursed without verification of student enrollment. For these loans, post-disbursement verification was done to verify that the student was enrolled. There are no incentives for the Clearinghouse, the GS's, or the schools to participate in the Pilot. ED sent the Clearinghouse a letter in March 2001 requesting to extend the Pilot for another year and to make minor modifications. A decision from the Clearinghouse Board is pending. ED is also considering regulatory changes to require verification of student enrollment at foreign schools prior to loan disbursement. ED needs to consider GA workload & funding for this task, time zones, hardship on students, and burden on foreign schools.</p>	
21	Schools	8 Make a determination on the initial cohort of recertification applications for all foreign non-medical schools eligible to participate in the FFEL Program.	<p><u>HISTORY</u></p> <p>AUGUST 3, 2001: The high volume schools, with the exception of Kasturba University in India, have been completed and are being provisionally recertified. Kasturba University has an outstanding program review liability, and negotiations are underway with this school. ED is considering some statutory relief (proposing a technical amendment) for foreign graduate medical schools in the form of a "moratorium on the requirement that foreign graduate medical schools provide ECFMG statistics. OGC recently drafted some preliminary language to this effect.</p> <p>JUNE 8, 2001: NO CHANGE</p>	95%

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			<p>APRIL 27, 2001: On schedule. March 1997 all foreign schools (823) (836) were reminded that they must be recertified and that an application must be submitted by July 1997. 436 schools did not reply. Of the 387 (400) schools that did reply, most did not timely submit or submit a complete recertification package. All but eight (8) schools have been recertified and approx. 100 have been reinstated. There are currently 509 (487) foreign schools participating in the FFEL program only, which funds approx. 12,500 students annually at just over \$214 million. The average default rate for foreign schools is 2.6%. Most schools are public and private nonprofit and receive less than \$100,000 annually (335 schools almost 70%) with the FFEL funds being disbursed directly to the students in one payment. Foreign educational systems are different from domestic and it is difficult to apply domestic rules to foreign systems. Communications are a challenge due to high turnover at the institution regarding who is responsible for administering the FFEL program. Usually no Financial Aid Administrator exists, because other countries are not awarding financial aid or the country itself administers the entire program (e.g.: UK has a new loan program that is totally run by the government). Requesting statutory relief for public and private nonprofit schools receiving under \$300,000 for submitting an annual compliance audit, similar to A-133 audits for domestic public and private nonprofits. Currently only 71 schools receive \$300,000 or greater. Requesting statutory relief in using the ECFMG pass rates for foreign medical schools (50 schools required to submit this data). These schools can only receive the ECFMG data if the student permits it and this testing includes an English test. SFA will suggest using LCME data instead, but rates will be lower than 60% receiving passing score (according to IG audit 40% received LCME passing scores in 1998). The IG is currently clarifying its SFA compliance audit guide to more specifically address foreign schools issues.</p>	50%
22	Schools	9 Keep the cohort default rate under 8%. Based on the "Fall Repayment Symposium," establish a program and multi-year goals to further reduce the cohort and lifetime default rates.	<p>COMPLETED</p> <p>The FY 99 national cohort default rate was announced on September 19, 2001. It has fallen to its lowest rate ever – 5.6%</p> <p><u>HISTORY</u></p> <p>AUGUST 31, 2001: Cohort Default Rate is on target to be under 8%.</p> <p>AUGUST 17, 2001: Cohort Default Rate is on target. National Default Prevention Day was held August 2, 2001. Due to scheduling conflicts, Puerto</p>	<p>100%</p> <p>80%</p> <p>60%</p>

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			<p>Rico is to be held the week of August 6, 2001. NDPD drew representatives of more than 1000 schools, as well as servicers, lenders, and guarantee agencies. More than 1400 registered to attend this first-ever event, and 9 of 12 workshops had to be relocated to larger space to accommodate all who wanted to come. NDPD was a collaborative effort, featuring presentations from Default Management, Direct Loans School Relations, Financial Partners, Collections, Guarantors and school representatives.</p> <p>AUGUST 3, 2001: Cohort default rate is on target. National Default Prevention Day was held August 2.</p> <p>JULY 20, 2001: National Default Prevention Day will be held on August 2, 2001. Our goal for this initiative is to engage our partners in a more focused effort to reduce the national cohort default rate, which is currently 6.9%. We will accomplish this by bringing them together on a single day to provide a variety of tools useful for understanding and managing default rates. A collaborative effort between DLSRO, Default Management, Case Management, Partner Services, this event will also feature school presenters and representatives of a variety of Guaranty Agencies. The response to this initiative, the first of its kind, has been tremendous. 1,292 registrants as of 7-18-01. Cohort Default rate is on target. Total registration for NDPD was at 1,365 when registration was closed on July 19th. More than 1,000 schools are represented.</p> <p>JULY 6, 2001: On schedule.</p> <p>JUNE 22, 2001: On schedule.</p> <p>JUNE 8, 2001: On Schedule.</p> <p>MAY 25, 2001: On schedule.</p> <p>APRIL 27, 2001: On schedule. The national student loan default rate of 6.9% in FY98 is less than a third of the peak rate of 22.4% in FY90. FY99 national student loan default rate will be issued in September 2001. In October 2000, SFA sponsored a Student Loan Repayment Symposium, attended by the best in the business (a cross-section of SFA, Schools, Lenders, GAs, Secondary Markets) to continue to examine and share best practices to further reduce student</p>	<p>60%</p> <p>50%</p>

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				loan defaults. Provide cohort default rate presentations at the following venues: Electronic access conference (in conjunction with NSLDA)-Nov/Dec 2000. Southern Association of Financial Aid Administrators-February 2001. Direct Loan Conference-March 2001. Identified schools (approximately 250) that may need technical assistance and refer these schools to Direct Loan School Relations and Case Management Teams for technical assistance. FY99 draft cohort default rates were calculated in January 01. Based on the draft data it appears that we will meet our goal of keeping the default rate under 8%. Made presentations at the EAC and SASFAA. Provided draft data to reviewers for additional information during technical assistance reviews. Will participate in an upcoming Default Day sponsored by CMO and DL School Relations. As a follow up to the Student Loan Repayment Symposium, DM staff will present at the Virginia Assoc. of Student Financial Aid Administrators in May 2001. Member of Default Reduction Team - reconstituted team which will continue where symposium left off.	
23	Schools		Provide each school with single SFA point of contact: a place they can always call to get their questions answered.	COMPLETED	100%
24	Schools		Release version 1 of the School Portal. This version will, for the first time, bring all our services together through a master web page, configurable by each user to their priorities.	COMPLETED Version 1 was released on March 7, 2001 at the DL Conference in Houston, TX.	100%
25	Schools		Release version 2 of School Portal. This version will provide increased personalization, links to operating websites, query and downloading of available data, and a consolidated Title IV-wide event calendar.	DELAYED <u>HISTORY</u> APRIL 13, 2001: Schools Portal version 2.0 – Postponed until FY 02 due to funding restraints.	10%

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	Channel	Fin INT	Action Item/ Performance Measure	Progress Summary From 09/14/01 to 09/21/01	% Complete
26	Schools		Choose operating partners to assist in building a common business process and system for aid-origination and disbursement for Pell Grants, Campus-Based Programs and Direct Loans. Establish performance measures for the completed system.	<p><u>HISTORY</u> AUGUST 31, 2001: Requirements and procedures documents for COD implementation will be completed by the end of September, as will performance measures. All are contingent on completion of the Share-in-Savings negotiations currently underway with the Modernization Partner. We are on target for implementation of COD in the Spring of 2002. Testing of the system will begin in late September and continue throughout implementation.</p> <p>JULY 20, 2001: Share in savings are still ongoing and the performance measures will be an outcome of these negotiations. Change completion date to 8-31-01. As of 7-20-01, requirements have been completed and Greg Woods has approved moving forward with the Detailed Design, Coding and Testing Phase. Rosemary Beavers to head up the Transition Team that is responsible for testing and implementation of the COD system. On target for implementation of COD in spring of 2002.</p> <p>JULY 6, 2001: NO CHANGE</p> <p>JUNE 22, 2001: On schedule.</p> <p>JUNE 8, 2001: The COD business case has been approved and share-in-savings negotiations and performance measures development has begun.</p> <p>APRIL 27, 2001: On schedule as of 4-27-01. Modernization Partner and SFA are working on the performance measures and the shared-in-saving. Change completion date to 5/31/01 since shared-in-savings deal is still being developed, and it will contain the final performance measures.</p>	<p>50%</p> <p>50%</p>
27	Schools		Assess the current systems maintaining school information and related functional requirements. Develop and implement a strategy for creating a single "system" of unduplicated school data.	<p>COMPLETED</p> <p><u>HISTORY</u> MAY 11, 2001: Phase 1 complete. This involved the development of a data dictionary/school data model. This resolves the data discrepancies among the numerous legacy systems for SFA staff.</p> <p>MARCH 2001: Phase 1 nearly complete.</p>	100%

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	Channel	Fin INT	Action Item/ Performance Measure	Progress Summary From 09/14/01 to 09/21/01	% Complete
28	Schools		Complete 96% of reimbursement requests within 30 days.	<p><u>HISTORY</u> AUGUST 31, 2001: For FY 2001 year to 8/29/01, 98.4% of reimbursement requests have been processed within 30 days of receipt. We expect the end-of-year percentage to be about 98%.</p> <p>AUGUST 17, 2001: For FY2001 year to 8/17/01, 98.8% of reimbursement requests have been processed within 30 days of receipt.</p> <p>AUGUST 3, 2001: For FY 2001 to 7/31/01, 98.7% of reimbursement requests have been processed within 30 days of receipt.</p> <p>JULY 6, 2001: For FY 2001 year to 7-03-01, 99% of reimbursement requests have been processed within 30 days.</p> <p>JUNE 8, 2001: For FY 2001 year to 6-07-01, 99% of reimbursement requests have been processed within 30 days.</p> <p>MAY 25, 2001: For FY 2001 year to 5/21/01, 98.9% of reimbursement requests have been processed within 30 days of Receipt.</p> <p>MAY 11, 2001: For FY 2001 year to May 8, 2001, 98.9% of reimbursement requests have been processed within 30 days of receipt.</p> <p>APRIL 27, 2001: Exceeding standard. For FY 2001 year to 3/30/01, 98.9% of reimbursement requests have been processed within 30 days of Receipt. Exceeding standard. For FY 2001 year to 4/13/01, 98.8% of reimbursement requests have been processed within 30 days of Receipt.</p>	<p>Exceeding Standard</p> <p>Exceeding Standard</p> <p>Exceeding Standard</p> <p>Exceeding Standard</p> <p>Exceeding Standard</p> <p>Exceeding Standard</p> <p>Exceeding Standard</p>
29	Schools	10	Develop action plans for at least 90% of the schools on reimbursement. The action plans will spell out how and when schools will eliminate the issues that led to the reimbursement action.	<p>.</p> <p><u>HISTORY</u> AUGUST 31, 2001: The number of institutions on reimbursement is 73 as of 8/31/01. We anticipate that the number of institutions on reimbursement will continue to fluctuate between 70 – 75. Institutions will continue to be placed on and taken off of reimbursement as a normal part of oversight. The Case</p>	80%

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			<p>Management Teams will continue to provide technical assistance and close monitoring of the institutions.</p> <p>AUGUST 17, 2001: The Case Management Teams continue to provide technical assistance and close monitoring of the institutions. The number of institutions on reimbursement is 70 as of 8/17/01. Two schools closed.</p> <p>AUGUST 3, 2001: The Case Management Teams continue to provide technical assistance and close monitoring of the institutions. The number of institutions on reimbursement is 72 as of 8/3/01.</p> <p>JULY 20, 2001: As of July 20, 2001 there are 72 schools on reimbursement.</p> <p>JULY 6, 2001: There are 67 schools on reimbursement.</p> <p>JUNE 22, 2001: There are 66 schools on reimbursement.</p> <p>JUNE 8, 2001: The Case Management Teams are continuing to provide technical assistance and to closely monitor the institutions. The teams are on schedule with action plans to reduce the number of schools on reimbursement.</p> <p>MAY 25, 2001: We now have 70 schools on reimbursement.</p> <p>MAY 11, 2001: Two institutions were removed from reimbursement/cash monitoring 2: The Maryland College of Art and Design, MD was transferred to heightened cash monitoring 1, effective May 8, 2001; and United Education Institute, CA was transferred to cash monitoring 1, effective April 27, 2001.</p> <p>APRIL 27, 2001: The Case Management Teams are continuing to provide technical assistance and to closely monitor the institutions. As a result of the teams continued efforts to work with the institutions, one institution (Southeastern University in Washington, D.C.) was removed from reimbursement after 11 years and was returned to advance pay on April 12, 2001. In addition, we have placed two schools on reimbursement/cash monitoring for the following reasons: West Side Institute Technology in Cleveland, OH was placed on Heightened Cash Monitoring II (HCM-2) for the school's failure to renew a 10% Letter of Credit (LOC); and Comair Aviation Academy in Sanford,</p>	<p>75%</p> <p>75%</p> <p>70%</p> <p>50%</p>

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			<p>FL was placed on reimbursement for an open program review with serious deficiencies.</p> <p>MARCH 2001: On schedule. From October 2000 through March 2001, the Department of Education reduced the number of schools on the reimbursement or cash monitoring payment method from 73 to 67 (two schools were deemed ineligible for participation in the SFA programs and four schools were returned to advance payment method). Schools are transferred continuously to the reimbursement/cash monitoring method of payment, particularly for financial responsibility. "the reason and number of schools on reimbursement are as follows: financial responsibility (10); settlement agreements (4); termination/revocation of eligibility (4); closed schools (2); cash monitoring (11); default rate (2) ; severe program review (9); reimbursement (22); late audit (1); OIG investigation (1); and Direct Loan funding reconciliation (1). SFA developed action plans for at least 90% of the schools on reimbursement. The action plans specify when the schools will eliminate the issues that led to the reimbursement or cash monitoring action. While the Department will continue to monitor most of the institutions on the reimbursement or cash monitoring payment method due to settlement agreements or other programmatic conditions, the Department has pending actions with ESS College of Business in Dallas, TX due to an ongoing OIG investigation.</p>	
30	Schools	11 Resolve 93% of school audits within six month of receipt.	<p><u>HISTORY</u></p> <p>AUGUST 31, 2001: For the period 8/20 to 8/29/01, 92% of school audits were resolved within 6 months of receipt. Year-to-date is 95%. We expect that our end-of-year percentage to be about 95%.</p> <p>AUGUST 17, 2001: For the period 7/22 to 8/05/2001, 97% of school audits were resolved within 6 months of receipt. YTD is 95%.</p> <p>JULY 20, 2001: For the period of 6/24/01 to 7/07/01, 98% of school audits were resolved within 6 months of receipt. Year-to-date, 94% of school audits were resolved within 6 months of receipt.</p> <p>JUNE 22, 2001: For the period 5/27/01-6/9/01, 98% of school audits were resolved within 6 months of receipt. Year-to-date, 94% of school audits were</p>	<p>Exceeding Standard</p> <p>Exceeding Standard</p> <p>Exceeding Standard</p> <p>Exceeding Standard</p>

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			<p>resolved within 6 months of receipt.</p> <p>JUNE 8, 2001: For the period 5/13/01 through 5/23/01, 98% of school audits were resolved within 6 months of receipt.</p> <p>MAY 11, 2001: For the period 4/16/01 to 4/28/01, 2001, 99% of school audits were resolved within 6 months of receipt.</p> <p>APRIL 27, 2001: For the period 3/18/01 to 3/31/01, 93% of school audits were resolved within 6 months of receipt. For the period 4/1/01 to 4/15/01, 100% of school audits were resolved within 6 months of receipt. Year-to-date average is 93%.</p> <p>MARCH 2001: Exceed standard. For the period 3/4/2001 to 3/17/2001, 96% of the school audits were resolved within 6 months of receipt.</p>	<p>Exceeding Standard</p> <p>Exceeding Standard</p> <p>Meeting Standard</p> <p>Exceeding Standard</p>
31 Schools		Process 98% of the Direct Loan origination and disbursement records within two days. The current baseline is three days.	<p><u>HISTORY</u></p> <p>AUGUST 17, 2001: DL Origination processing for July was 99.98%, YTD is 97.98%. DL Disbursements for July was 99.86%, YTD is 99.43%.</p> <p>JULY 20, 2001: June loan origination and disbursement processing was 100%. The Year-to-date processing is 99.38%.</p> <p>JUNE 22, 2001: May loan origination processing was 99.99%. Year-to-date loan origination processing is 97.27%. May disbursement processing was 100%. Year-to-date disbursement processing is 99.3%.</p> <p>MAY 11, 2001: April loan origination processing within two days was 99.99%. Year-to-date loan origination processing is 96.83%. April disbursement processing was 99.18%. Year-to-date disbursement processing is 99.18%.</p> <p>MARCH, 2001: Oct 99.95%, Nov 85.52%, Dec 99.98%, Jan 99.96%, Feb 92.88%, Mar 99.96%. The February percentage was below the standard, as a result of the 2001/2002 software implementation on 2/19, but we recovered for March.</p>	<p>Exceeding Standard</p> <p>Exceeding Standard</p> <p>Exceeding Standard</p> <p>Exceeding Standard</p>

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	Channel	Fin INT	Action Item/ Performance Measure	Progress Summary From 09/14/01 to 09/21/01	% Complete
32	Schools		Process 98% of the Pell funding requests from RFMS receipt through GAPS within 24-36 hours so that funds are available for school drawdown within five days.	<p><u>HISTORY</u></p> <p>AUGUST 3, 2001: For the two-week period running from July 15 through July 28, RFMS processed 95% of the disbursement batches received from TIVWAN through RFMS to GAPS within 36 hours. This period's performance is slightly below the standard of 98% within 36 hours. Of 7922 batches representing over 180,000 students, 397 batches exceeded 36 hours. The processing delays are the result of an increase in school data requests that caused nightly production to run longer than scheduled, which deleted sending the funding transactions to GAPS. We're seeing increases in data requests as schools begin to reconcile and closeout the 2000-2001 award year. ACS and CSC are taking action to optimizing application jobs and scheduling to reduce the production processing time.</p> <p>JUNE 8, 2001: For the two-week period of May 20 – June 2, 2001, 100% of the disbursement batches processed from TIVWAN through RFMS to GAPS within 36 hours, exceeding the standard of 98% within 36 hours. A total of 7,343 batches were processed representing over 150,000 individual student disbursement transactions.</p> <p>MAY 11, 2001: EXCEEDING STANDARD for the first time this year. For the two week period of April 22 through May 5, 99.9% of the disbursement batches processed from TIVWAN through RFMS to GAPS within 36 hours. A total of 7068 batches were processed representing over 200,000 individual student disbursement transactions. Batch processing time exceeded 36 hours on only 4 batches. The maximum processing time was 126 hours (1 batch). This dramatic improvement is due largely to the replacement of the manual approve and pay (AP) process with an automated general ledger process that allows transactions to process more quickly through the RFMS. The percentage of transactions processing within 36 hours has been around 50% until this reporting period.</p> <p>APRIL 13, 2001: BELOW STANDARD. For the two-week period March 11 through March 24: 55% of the disbursement batches were processed within RFMS and made available to GAPS within 36 hours. 74% were processed within RFMS and made available to GAPS within 48 hours. 87% were processed within RFMS and made available to GAPS within 72</p>	<p>Below Standard</p> <p>Exceeding Standard</p> <p>Exceeding Standard</p> <p>Below Standard</p>

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			hours. Maximum processing time (1 batch) from TIVWAN through RFMS to GAPS was 288 hours. There were a total of 9214 batches of school level disbursement requests sent to GAPS during the reporting period. The batches represent over 435,000 individual student level disbursement records processed through RFMS to GAPS. What we are doing to meet the 98% standard: 1) CSC and ACS have completed performance tuning analysis and are developing a schedule of improvements that will devote additional CPU and other resources to processing production data; 2) ACS has optimized table structures and computer programs to increase processing throughout; 3) Replacing the Oracle Financials COTS subledger with the Oracle Financials COTS.	
33	Schools	Replatform and migrate the Campus-Based System to a relational database for use in the 2001-2002 FISAP filing.	<p><u>HISTORY</u> JULY 20, 2001: ECB FISAP On the Web. On schedule Design: On schedule Development: On schedule Testing: 2 weeks behind. Explanation: We have utilized planned slack time in August to do three important things: 1. We have added time to use an automated regression tool that will allow future timesavings. 2: We have adjusted our schedule to accommodate external product modifications that are necessary to complete Release 1. 3: We have resequenced our testing activities to accommodate the schedule changes above. Since we were able to do these things utilizing planned slack in August, we still believe we can meet the delivery date of September 5. Delivery: (9-5): On schedule eCB Oracle System: On schedule Design: On schedule Development: On schedule. Testing: Delivery (12-15) eCB Scorecard: Scope: Pending resolution of AC's portion of the login cost Scheduled Performance: Pending testing schedule adjustments and validation of task dependencies.</p> <p>JUNE 8, 2001: Reviewing AC Proposal.</p> <p>MAY 11, 2001: On schedule as of May 11, 2001</p>	20%

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				<p>APRIL 27, 2001: On schedule as of 4-27-01.</p> <p>APRIL 13, 2001: Conducted UAL Requirements Validation meeting on 12/28/00. eCampus-Based: Redesign the CB system on an Oracle platform with web interfaces for the schools & SFA (DC & regional) staff. Phase I: Requirements & design to be completed 1/31/01. Phase I completed on time & under budget. Deliverables currently under review. Phases II & III to begin if IRB approves funding. Phase II: School web interface to be completed by 9/5/01. Phase III: SFA interface & 'back-end' system redesigned to be completed ~12/15/01. Expanding on project plans for Phases II & III. On schedule as of 4/13/01.</p>	
34	Schools		Provide Direct Loan schools with results of PLUS loan credit checks within two days. Current standard is five days.	<p><u>HISTORY</u></p> <p>MAY 11, 2001: In April 100% of PLUS loan credit checks were being provided in two days or less.</p> <p>APRIL 13, 2001: In February, 47.8% of PLUS credit checks were provided in two days or less. In March that improved to 100% of PLUS credit checks being provided in two days or less.</p>	Exceeding Standard
35	Schools		Eliminate the Mid-Term Financial Aid Transcripts	<p>COMPLETED</p> <p><u>HISTORY</u></p> <p>JUNE 8, 2001: Staff from Program Development and the National Student Loan Data System (NLSDS) are preparing a letter to institutions reminding them of the change in regulations, effective July 1, 2001, on the method by which they obtain financial aid history information for transfer students. This change, with the new services provided to schools by NSLDS, finally eliminates paper financial aid transcripts (FATs) from the student aid process.</p> <p>Under development at NSLDS.</p>	<p>100%</p> <p>90%</p> <p>10%</p>
36	Schools		Take whatever actions necessary to maintain the viability and competitiveness of the Direct Loan Program.	<p><u>HISTORY</u></p> <p>MARCH 2, 2001: The Direct Loan conference will be held on March 6, 2001.</p>	

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				<p>JANUARY 31, 2001: Gathering status of initiatives in preparation for the Direct Loan conference in March</p> <p>DECEMBER 31, 2001: Held a Direct Loan retreat on October 30, 2001. Identified initiatives to maintain the viability and competitiveness of the Direct Loan Program.</p>	
37	Schools		Provide Direct Loan schools with results of on-line entrance counseling electronically, eliminating the need for borrowers to print results and provide to schools.	COMPLETED	100%
38	Financial Partners	12	Based on the "Fall Repayment Symposium," establish a program and multi-year goals to further reduce the cohort and lifetime default rates.	<p>HISTORY</p> <p>AUGUST 31, 2001: Eight sub-teams were originally established. Five have survived and submitted contributions to this plan. FP staff is now completing the Draft Plan – due on September 1, 2001, for review by team members and internal SFA and ED staff. Draft document will be accessible via a protected web site for all members, and the Final Plan will be posted to IFAP as a “living document” with requests for subsequent contributions from the at-large community on programs that are currently serving the student loan program.</p> <p>MAY 11, 2001: Eight sub-teams are in place and gathering information throughout the higher education community on innovations and best practices. All teams are external to SFA. Working intranet web site has been established and teams will be contributing information over the next few weeks. Development of final plan starts in earnest during the week of June. On schedule for completion by June 30, 2001.</p> <p>APRIL 27, 2001: Core team has been established. 90% of members are external to ED. Assignments offered and voluntarily accepted. Development has begun through eight sub-teams led by professionals from various sectors of the higher education community, each assigned one of the eight stages of the loan life cycle. Advance awareness of student aid, financial responsibility education, student aid</p>	<p>95%</p> <p>5%</p>

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				packaging, enhancing the in-school experience, preparation for departure, grace period communication, planning for repayment, and delinquency/default prevention and recovery. Conference calls are held bi-weekly and progress is shared via website loading of information for all members to review and comment. On schedule for June 30, 2001.	
39	Financial Partners		Establish Web portal for Financial Partners to provide one stop access to SFA services and information.	DELAYED This measure is moved to 2002. Successful completion of this project is contingent on the development of a SFA/CIO strategy regarding Web products.	
40	Financial Partners		Design and implement improvements to the core business functions including electronic business-to-business solutions for lender submission of payment forms.	DELAYED This measure is moved to 2002. This involves the redesign of the 799 forms, which requires sequencing with SFA's FMS project. In order to accomplish this measure, abilities to build new processes in FMS are required.	
41	Financial Partners		Implement and monitor at least four voluntary flexible agreements for program participation. Launch all four no later than March 2001.	COMPLETED <u>HISTORY</u> All four voluntary flexible agreements were implemented by March 15, 2001. Monitoring continues.	100%
42	Financial Partners		Submit a report to Congress on the viability of expanding the VFA "pilot".	<u>HISTORY</u> AUGUST 17, 2001: On track. There are internal and external workgroups formulating the preliminary report to Congress. The preliminary report will be ready at the end of August. The final report will be submitted to Congress by the statutory deadline.	
43	Financial Partners	13	Augment the continuing campaign to eliminate false	.	

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Channel	Fin INT	Action Item/ Performance Measure	Progress Summary From 09/14/01 to 09/21/01	% Complete
44		death and disability claims-- begun in early 2000 by tightening review controls on diagnostic information and original signatures --by implementing a centralized processing pilot project in January, 2001 in concert with four Guaranty Agencies. Pilot will improve the review procedure and permit post submission analysis to identify potentially fraudulent claims for immediate action.	<p><u>HISTORY</u> AUGUST 31, 2001: Two guaranty agencies, USAFunds and the National Student Loan Program, have agreed to participate (Texas and Oklahoma have dropped out). Agencies have been provided all the information necessary to forward paid death and disability claims to ECMC in St. Paul for analysis within the central processing plan developed by FP staff. Agencies have agreed to submit claims within 30 days. Until the claims arrive, we cannot confirm participation.</p> <p>AUGUST 17, 2001: Financial Partners have responded to the GA's list of questions regarding the pilot. FP is awaiting the final commitment from GA's.</p> <p>MAY 11, 2001: Scheduled for implementation May 1, 2001. No evidence that GAs have forwarded any accounts thus far. GAs came up with a list of questions that FP is answering. Schedule is totally dependent on GA cooperation. GAs also claim that they will still need time to make system changes.</p> <p>APRIL 27, 2001: Rescheduled for implementation on May 1, 2001 because guaranty agencies (volunteers in Pilot Project) wished to wait until all preparations are complete to meet requirements of new regulations published November 2, 2000. Final system changes are in place at the centralized processor – ECMC. ECMC will accept the referred death and disability discharges directly from the guaranty agencies. USAF, NSLP (Nebraska) , Texas and Oklahoma are on board as participants.</p>	<p>95%</p> <p>95%</p>
		Conduct and complete investigative analysis on the remaining 1,300 discharges identified from the IG audit by March 31, 2001. These 1,300 - after extensive credit bureau screening - reflect financial attributes which the credit industry considers reflective of lifestyles contrary to that of an individual suffering from a permanent and total disability.	<p>COMPLETED</p> <p><u>HISTORY</u> AUGUST 31, 2001: FP investigative analysis prospects have been exhausted on 1,307 suspect death and disability claims. Remaining investigation must be conducted in person – by ED IG's staff. IG has not yet agreed to follow-up. IG maintains that information gathered by FP staff from national credit bureaus cannot be used in such cases due to Privacy Act restrictions. IG met with Federal Trade Commission staff during the week of August 20, 2001, who confirmed that information could not be used but agreed to meet with all parties to discuss alternative resolution. FP is waiting for IG staff to set up meeting with FTC</p> <p>MAY 11, 2001: FP and working partner continue to fine tune information found on questionable loan forgiveness for borrowers who appear to be either alive and</p>	<p>100%</p> <p>95%</p>

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				<p>working (disability discharges) or simply alive (death discharges). Meeting with IG staff on May 10, 2001, to discuss IG independent investigation of the most questionable cases.</p> <p>APRIL 27, 2001: Analysis complete. Final SFA/Financial Partners Report issued 4-4-01. Findings include more concrete evidence of fraud and abuse that SFA will ask the IG to investigate on a case by case basis. Evidence points to intentional fraud, though not as common as IG's initial report alleged, that does challenge the integrity of the FFEL program. Eventual centralized processing of death and disability claims is expected to greatly reduce the potential for such illegalities.</p>	
45	Financial Partners		Retire the FFEL System (Phase I).	<p>COMPLETED</p> <p>The retirement of Phase I (the FP portion) of the FFEL System was retired on April 31, 2001, two months ahead of schedule.</p>	100%
46	Financial Partners		Create the Data Mart (Phase I).	<p>COMPLETED</p> <p>HISTORY JUNE 8, 2001: On May 29, 2001 the Data Mart went live. This Phase picked up the FFEL, GA and Lender data. The team is evaluating Release II to ensure that it is in sync with FMS.</p> <p>MAY 25, 2001: The production readiness review is scheduled for May 16. Training scheduled for May 22.</p>	100%
47	CIO		Provide continued support to Channels for the design and development of Modernization Projects by achieving 90 percent of the annual major modernization milestones that have been approved by the Information Technology Investment Review Board. (See Sequencing Plan summarized in the Appendix of the Modernization Blueprint).	<p>HISTORY AUGUST 31, 2001: CIO contributions and decisions within CIO's span of control are on track as of 8/31/01. This initiative is currently 90% complete. 100% completion is expected by 9/30/01.</p> <p>JULY 6, 2001: CIO contributions and decisions with CIO span of control is on track.</p> <p>MAY 25, 2001: CIO contributions and decisions within CIO span of control is on track.</p>	90%

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				<p>APRIL 27, 2001</p> <p>Specific milestones to date have been met.</p>	
48	CIO		Develop and implement an infrastructure, and the necessary tools, to support a standard branding view of all SFA data.	<p>On board to complete targeted FY 01 goals by 9/30/01 and continue new efforts into next FY.</p> <p><u>HISTORY</u></p> <p>AUGUST 17, 2001: On track.</p> <p>AUGUST 3, 2001: On track.</p> <p>JULY 6, 2001: On track.</p> <p>JUNE 22, 2001: On track.</p> <p>APRIL 27, 2001: Infrastructure tasks have been funded and are proceeding as planned.</p>	
49	CIO		Reduce overall volume-adjusted operating costs for systems migrated to the consolidated data center by five percent.	<p><u>HISTORY</u></p> <p>AUGUST 31, 2001: This transformed contract is still under review by acquisitions and should be awarded prior to the end of FY 01. Cost reductions should meet the goals stated.</p> <p>JULY 6, 2001: VDC Contract Transformation plan on schedule; proposal due from CSC on July 10th at 4:00 p.m.</p> <p>JUNE 22, 2001: Working on the VDC transition plan.</p> <p>APRIL 27, 2001: Contract Transformation proposal for mainframes received.</p>	
50	CIO		Convert partner interfaces from a private network to the Internet.	<p><u>HISTORY</u></p> <p>AUGUST 31, 2001: For the SFA to the Internet initiative, SFA projected several customers would be migrated from the GE Information Services Value Added Network (GEIS VAN) accessing their new store and forward mailbox (b Trade) on the Student Aid Internet Gateway (SAIG). During system testing, problems</p>	

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			<p>were reported by the Title IV application systems that needed to be corrected within the software, then regression tested prior to implementation and migration. Due to delays for re-development of the software to correct reported problems, the migration start date has been moved back two weeks. The new start date for the 200 volunteer early adapters is September 17, 2001. Full implementation of all 7,000 + customers begins the following week September 24, 2001. The new projected estimate of migrated customers is 500. SFA WILL ACHIEVE 100% OF THIS PERFORMANCE BASED GOAL BY SEPTEMBER 30, 2001.</p> <p>AUGUST 17, 2001: Student Financial Aid Systems are currently performing integration testing. The Pre-Readiness Review (PRR) will be performed on August 30 or 31.</p> <p>AUGUST 3, 2001: Currently testing Release 4 of bTrade software installed. Two-week delay in completion of the integration testing. BTrade recoding s/w that is not working properly. Will begin production with schools tentatively on September 6, 2001. Indications from schools are they would rather begin in September instead of August. Expected completion date is 12/18/2001.</p> <p>JULY 6, 2001: Overall, the project remains on schedule as Acceptance testing of Release 2 COTS software continues.</p> <p>JUNE 22, 2001: The project is still on schedule. Phase 1 of acceptance testing is completed. The software (B-trade) that the application systems need to begin testing has been delivered to them.</p> <p>MAY 25, 2001: B-trade solution remains on schedule. Completion date is 9/30/2001.</p> <p>MAY 11, 2001: B-trade solution remains on schedule. Completion date is 9-30-01.</p> <p>APRIL 27, 2001: Completion date scheduled for 12-18-01.</p> <p>APRIL 13, 2001: DELAYED In order to accommodate schools' desire for gradual adoption during the fall peak</p>	

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				season, the largest 1000 schools will be able to use the internet interface by September 30, 2001. The remaining 6000 plus schools will be online by December 18, 2001.	
51	CIO		Use data warehousing to provide information to support management reporting, trend analysis, and other assessment functions (Phase I).	<p>COMPLETED</p> <p><u>HISTORY</u></p> <p>SEPTEMBER 13, 2001: SFA currently has 3 production data marts with an additional data mart go to into production before the end of '01 calendar year. There are two new data marts scheduled for development in FY 02. These data marts need to be integrated into an enterprise data warehouse framework to ensure data consistency and to avoid stove-piped data marts. FY 01 goals were completed ahead of the 9/30/01 schedule.</p> <p>JULY 6, 2001: On track.</p> <p>MAY 11, 2001: Delinquency Loan Mart, CFO Data Mart and FP Data Mart are on track.</p> <p>APRIL 27, 2001: A task plan is being communicated through the IRB for release of approved funds and start of work.</p>	100%
52	CIO		Build the enterprise technical architecture including Middleware.	<p>COMPLETED</p> <p><u>HISTORY</u></p> <p>SEPTEMBER 13, 2001: Completed the installation of MQ Series RIs 1 for DLSS. Working on installation and configuration phases of EAI RIs 2. Completing security request form for RIs 2. Submitted system prerequisite for FMS and Loan Origination. Building FAFSA environment in HP. FY01 goals have been accomplished and currently working on RIs 3 Business Case.</p> <p>AUGUST 17, 2001: Completed the SOW for RIs 2, EAI Core Architecture. Performed the EAI Core production installation at the VDC on the following systems: WebSphere, EAI Prod. Server, CPS Production LPAR, NSLDS Production LPAR, and the bTRADE Production Server.</p> <p>AUGUST 3, 2001: Completing the development of the Common Services Components that are not yet in production. Reviewing the EAI RIs1 Technical</p>	100%

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				<p>Specs.</p> <p>JULY 6, 2001: Finalizing the Test Environment in preparation for movement into Production.</p> <p>MAY 25, 2001: On schedule.</p> <p>MAY 11, 2001: ON SCHEDULE</p> <p>APRIL 27, 2001: The software has been installed and the connectivity is connected.</p>	
53	CIO	15	Enhance the security infrastructure based upon the framework and policies developed in FY 2000.	<p><u>HISTORY</u></p> <p>SEPTEMBER 13, 2001: This initiative is on track as of 9/5/01 with FY 01 efforts to be completed on schedule.</p> <p>AUGUST 31, 2001: Task order for contractor assistance approved in May. Updating policies and procedures compatible with GISRA. Updated CD and Intranet content by September 3, 2001.</p> <p>AUGUST 17, 2001: On track.</p> <p>JULY 6, 2001: On track.</p> <p>JUNE 22, 2001: On target. Task order 59 is signed and the staffing is in place.</p> <p>APRIL 13, 2001: To achieve this measure, SFA will analyze security infrastructure to create a preliminary cost-benefit business case. Infrastructure needs will be communicated to business units, and agreement about specific results will be obtained and provided to them. Funding will be obtained for the package of target results and a detailed action plan will be created, and the plan will be implemented according to milestones therein.</p>	
54	CIO		Implement configuration management for SFA initiatives.	<p>COMPLETED</p> <p><u>HISTORY</u></p> <p>AUGUST 31, 2001: An enterprise-wide Configuration Management plan was</p>	100%

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			<p>completed by 3/31/01, as required. CM deployment schedule on target. Internal audiences rollout to be completed by October 1, 2001.</p> <p>AUGUST 17, 2001: Scheduled a meeting with the Deputy CIO to review the draft Communication Plan that outlines the approach on rolling out Enterprise CM across SFA.</p> <p>JULY 6, 2001: SFA review of deliverable 47.1.3, "Develop and Deploy Enterprise CM Processes" is scheduled for completion Monday, July 9. Scheduling a meeting with David Elliot to begin discussions on the functions that define Enterprise CCG.</p> <p>JUNE 22, 2001: Enterprise Configuration Management Plan completed March 31, 2001. Rollout and implementation on schedule. Enterprise CM charter and the Enterprise CM Change Control Group (CCG) charter are under review. The presentation of Configuration Management is waiting to be scheduled with the Management Council.</p> <p>MAY 11, 2001: ON SCHEDULE</p> <p>APRIL 27, 2001: NO CHANGE</p> <p>APRIL 13, 2001: To achieve this measure, configuration management practice and methods will be introduced to IPTs.</p>	
55	CIO	Complete the IT policies and procedures manual including architectures, software engineering standards, privacy and security, systems development life cycle and configuration management.	<p>COMPLETED</p> <p><u>HISTORY</u></p> <p>AUGUST 17, 2001: SOO for Enterprise Architecture Management including updates to the Technology Handbook submitted to Mod Partner 7/30/01.</p> <p>AUGUST 3, 2001: SOO for Enterprise Architecture Management including updates to the Technology Handbook submitted to Mod Partner 7/30/01.</p> <p>JULY 6, 2001: Formalizing the Technology handbook procedures. Initial assessment activities to review and update the E-CAD, IV & V Standards and Procedures documents are underway. The new approach will consider a more QA oriented look and feel with focus on the new SDLC and CMM goals in mind.</p>	100%

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			<p>JUNE 22, 2001: Chapters for QA IV&V, System Development Life Cycle, Configuration Management completed. Updates to Configuration Management, QA Program and IV&V standards and procedures to support new version of SDLC and focus on multiple development methods are under review. Updates will be inserted in the electronic IT Handbook by June 29, 2001.</p> <p>APRIL 27, 2001: The final version of the SDLC was inserted in the Technology Handbook. The road show presentation and deployment plan were finalized. QA/IV&V standards are complete.</p>	
56	CIO	Test new technology and business processes by implementing three Electronic ID processes with customers, external partners and/or employees.	<p><u>HISTORY</u></p> <p>AUGUST 31, 2001: On track to achieve performance objective by 9/30/01 – two processes have been tested with the third scheduled for implementation on 9/21/01. (1) Electronically Signed DL eNote: Both DL Originations and DL Consolidation have processed their first eSign eNote as of 7/02/01. (2) SFA PIN-based Authentication Service for Borrowers: The Student Authentication Network (STAN) was in production as of 6/29/01. Nearly 105,000 authentications have been processed through 8/26/01. (3) SFA Campus Card: On track for project completion with first wave move on 9/21/01. Innovations continuing to provide analysis and advisory assistance to project team. On 8/21/01 Innovations issued survey to gauge employee interest in SmartBenefits with survey results due 9/5/01. Innovations coordinating with SFA CFO, ED OM, WMATA, and DOT on assisting SFA CFO and ED OM with final badge design and required approval for design. Development work around programming the contact chip is underway, with actual programming of the card chips scheduled for mid-September.</p> <p>AUGUST 17, 2001: (1) Electronically Signed DL eNote: Both DL Originations and DL Consolidations have processed their first eSign eNote as of 7/02/01. (2) SFA PIN-based Authentication Service for Borrowers: The Student Authentication Network (STAN) was in production as of 6/29/01. Over 71,000 authentications have been processed through mid-August. (3) SFA Campus Card: Innovations continuing to provide analysis and advisory assistance to project team. SFA given go ahead by ED OM on 8/9/01 to roll out SmartBenefits on the SFA Campus Card. Innovations is waiting for union approval of</p>	

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			<p>SmartBenefits survey designed to gauge employee interest. Innovations coordinating with SFA CFO, ED OM, WMATA, and DOT on timeline and action items necessary to meet this objective. Innovations is also assisting SFA CFO and ED OM with final badge design and required approval for design. Development work around programming the contact chip begins in late August, with actual programming for the card chips scheduled for mid-September. The card stock and smart card reader delivery is on schedule. STATUS changed to YELLOW due to new involvement and approvals not on time.</p> <p>JULY 6, 2001: On track. (1) Electronically Signed DL eNote: Both DL Originations and DL Consolidations have processed their first eSign eNote as of 7-2-01. (2) SFA PIN-based Identification Credential for Borrowers: The Student Authentication Network (STAN) was in production as of 6-29-01. (3) SFA Campus Card for New Building: Innovations continuing to provide analysis and advisory assistance to project team. Met with ED/OM, DOT, and WMATA on 6-26-01 to discuss requirements and action plan for establishing Smart Benefits (automatic updating of benefits to employee ID) for SFA employees.</p> <p>JUNE 22, 2001: On track. E-Sign: Beginning system testing for Loan Origination, Loan Consolidation, and STAN for 7/2/01 eMaster Promissory Note implementation. Received community comments (NCHELP, CBA, EFC) on Servicing Agreement between NCS and lenders and are incorporating comments and finalizing agreement. Presenting the status of the e-Signature Mad Dog project and cost-benefit analysis at 6/22/01 Management Council meeting. SFA Campus Card: Assisted in development of an article on the SFA Campus Card for the June Move Corner publication.</p> <p>JUNE 8, 2001: On track. E-Sign: SFA approved NCS' contract proposal to provide Direct Loan authentication services for DL e-Master Promissory Note. E-Sign Mad Dog met with the IRB on 5-15-01 and returned \$1.3 million in cost savings from E-Signature development. Coordination of test schedules between NCS (STAN, CPS), EDS (LO, LC) and VDC being developed. System of Record Notice for the Student Authentication Network signed on 5-24-01 and expected to be published in the Federal Register on 6-1-01. SFA Campus Card: Regional badging analysis provided to CFO-SFA Administration on 5-23-01.</p> <p>APRIL 27, 2001:</p>	

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				On track. Outreach with FFEL community and NCS on PIN site interface during week of March 12.	
57	CIO		Complete the migration of the Direct Loan Servicing System to the Virtual Data Center.	PROJECT DROPPED	PROJECT DROPPED
58	CIO		Define and Publish Application Program Interface (API) Standards for all technical services and some business services (e.g. CPS) for third party software developers and Financial Partners.	<p>COMPLETED</p> <p><u>HISTORY</u></p> <p>SEPTEMBER 13, 2001: Base APIs were published on August 30, 2001. FY 01 efforts are complete</p> <p>AUGUST 17, 2001: On track.</p> <p>AUGUST 3, 2001: On track.</p> <p>JULY 6, 2001: On track.</p> <p>JUNE 22, 2001: On track.</p> <p>MAY 25, 2001: On track.</p>	100%
59	CIO		Develop the Enterprise Solution for electronic signature which includes the technology, processes and regulatory changes needed.	<p>COMPLETED</p> <p><u>HISTORY</u></p> <p>JULY 6, 2001: Performance Objective Achieved. The e-Sign Mad Dog team completed its objectives for eNotes as of 6-29-01. Other SFA enterprise solutions involving SFA PIN will be scoped over the next few months.</p> <p>JUNE 22, 2001: Electronic P-Note is scheduled to go live on 7/01 as part of the electronic security task.</p> <p>MAY 25, 2001: Required funding unavailable. Pilot design effort (Schools Portal only) funded as part of security policy task.</p> <p>MAY 11, 2001: Funding for modest beginning approved on April 24, 2001. Modernization Partner has not responded to task order invitation. IRB decision</p>	100%

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			<p>has been to delay this objective until FY 02.</p> <p><u>APRIL 27, 2001</u>: Funding still not approved, though SFA and Modernization Partner have agreed on approach for first phase. Possibility of share-in-savings.</p>	
60	CFO	16 Demonstrate enhanced SFA financial management through new IT systems, improved processes, more experienced professional staff, stronger internal controls, and robust financial reports.	<p><u>HISTORY</u></p> <p><u>AUGUST 31, 2001</u>: IMPROVING AUDIT RESOLUTION AND CLOSURE: The Internal Review Division continues its work on one of the Secretary's most important management improvement initiatives – the resolution and closure of audit/management improvement recommendations. For the week ending 8/17/01, CFO submitted three requests to the OIG to close recommendations on three separate audits. OIG responded to our requests to close nine audit recommendations, and the OIG agreed to close a recommendation that means the following audit – A07-A0014, “Audit Follow-up: Contract Monitoring,” was closed. We also submitted an action to resolve an audit recommendation. YEAR-END EXPECTATION: ON OR BEFORE 9/30/01 CFO WILL REPORT THAT THIS PROJECT IS 100% COMPLETE.</p> <p><u>AUGUST 17, 2001</u>: IMPROVING AUDIT RESOLUTION AND CLOSURE: The Internal Review Division worked with the Secretary's MIT Group, SFA program offices, and the OIG to close 4 SFA Action Memos and close one audit. We also submitted requests for closure on three audit recommendations and submitted new or revised actions to resolve 20 audit recommendations in four audits.</p> <p><u>AUGUST 3, 2001</u>: IMPROVING PAYMENT CONTROLS: Purchase card reconciliations are now being done electronically. Purchase cardholders will be reconciling their July purchase cards using this process. Purchase cardholders have until August 1 to perform their functions. SFA's authorizing official, Jim Barnard, will receive the purchase card reports electronically as well as in hard copy, with all invoices and backup documentation. SFA's CFO Jim Lynch will have a one-on-one with an EDCAPS official to finish the reconciliation process and approve payment of SFA's purchase card bills. SFA Administration continues to respond to GAO requests for information about prior purchase card purchases. IMPROVING BUDGET PROCESSES: SFA met the deadline for submitting its annual budget. IMPROVING AUDIT RESOLUTION AND</p>	<p>90%</p> <p>73%</p> <p>71%</p>

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			<p>CLOSURE: The Internal Review Division (IRD) is finalizing a high-level presentation to be given to the channel and enterprise managers, followed by a more detailed presentation to audit coordinators in the channel and enterprise areas. IRD's Acting Director meets weekly with a representative of the MIT groups to ensure the timely resolution and closure of audits and related management recommendations.</p> <p>JULY 20, 2001: IMPROVING PAYMENT CONTROLS: To closeout the third party draft program, the third-party draft administrator collected all unused drafts on July 11, 2001. SFA will process third-party payments through Treasury checks or Electronic Funds Transfer (EFT). SFA Administration is also working with the GAO and ED's OCFO to address the GAO's questions about purchase card transactions, as part of the GAO's audit on improper payments. IMPROVING FINANCIAL REPORTS: Year-to-date, SFA and ED's OCFO's have completed 9 audit recommendations related to the FY 2000 Financial Statement Audit. SFA's IRD continues to work with the MIT group to resolve and provide that group with updates on the status of audit issues. IMPROVING BUDGET PROCESSES: SFA's requisition database has been updated with information from FARs. The May and June "Status of Funds" reports have been posted to SFA's Intranet.</p> <p>JULY 6, 2001: IMPROVING PAYMENT CONTROLS: To ensure that SFA staff have a clear understanding of the requirements and procedures of the new payment system, SFA Administration's Director met with SFA offices to inform them that as of June 27, 2001, SFA Administration will no longer have the ability to generate third party drafts. All third party payments will be issued by Treasury check or Electronic Funds Transfer (EFT). To insure SFA Administration has sufficient internal controls for the new payment process, SFA Administration's Director submitted an operating plan to OCFO indicating how SFA staff duties would be segregated for SFA staff who will process Treasury payments. MANAGEMENT CONTROLS: To provide SFA employees with effective procedures to monitor IT inventory on an ongoing basis, SFA Administration is developing an Asset Management Desk Guide, which is scheduled to be completed July 21st. IMPROVING FINANCIAL REPORTS: For the month of June, SFA closed 6 recommendations; five of which were related to the FY 2000 Financial Statement Audit. SFA's IRD continues to work with the MIT group to resolve and provide that group with updates on the status</p>	<p>65%</p> <p>63%</p>

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			<p>of audit issues.</p> <p>JUNE 22, 2001: INTERNAL CONTROLS: To ensure that all SFA Administration staff can identify and correct errors made by travelers on vouchers/authorizations, SFA Administrative staff completed a GSA-sponsored course entitled, "Temporary Duty Travel—Federal Regulations." IMPROVING PAYMENT CONTROLS: To ensure that SFA staff have a clear understanding of the requirements and procedures of the new payment system, SFA Administration's Director is meeting with OCFO to discuss the payments/direct invoices. MANAGEMENT CONTROLS: To provide SFA employees with effective procedures to monitor IT inventory on an ongoing basis, SFA Administration is developing an Asset Management Desk Guide, which is scheduled to be completed July 21st. FACILITY MANAGEMENT: At a June 20th meeting with OM, OM and SFA's CFO agreed that the two offices would work together on the necessary start-up actions, while they explored the concept of a Memorandum of Understanding (MOU) to determine each office's roles and responsibilities in SFA's new facility at UCP#3.</p> <p>JUNE 8, 2001: FUNDS CONTROL/MONITORING: The monthly Status of Funds Report is now available on SFANet. SFA managers can access their detailed and/or summary reports, beginning with the month of April, by entering the CFO/Financial Management page of SFANet and scrolling down to the monthly report selection under the "Budgets" heading. IMPROVING PAYMENT CONTROLS: SFA Administration continues to work with the GAO as it reviews and analyzes SFA's purchase statements. The Director of SFA Administration also met with the OIG and provided that office with information that outlines internal controls he has instituted since arriving at SFA. MANAGEMENT CONTROLS: SFA Administration has completed the physical inventory of CFO's assets. To date, 90% of CFO's IT assets have been reconciled against the audit report. SFA Administration plans to develop a desk guide to instruct SFA employees on effective procedures to monitor IT inventory on an on-going basis. SECURITY FACILITY MANAGEMENT: A contract was issued for the security system for our new facility. Installing the security system before occupancy provides us with sufficient time to perform operational tests that will help ensure the safety and well being of SFA employees.</p>	<p>60%</p> <p>57%</p>

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			<p>MAY 25, 2001: FUNDS CONTROL/MONITORING: Budget Services forwarded a Detailed Status of Funds Report to channels and enterprise areas this week to help them monitor their expenditures. IMPROVING FINANCIAL REPORTS: The Internal Review Division continues to work with relevant SFA offices and the Management Improvement Team to resolve the FY 2000 FS CAP.</p> <p>MAY 11, 2001: IMPROVING PAYMENT CONTROLS: SFA Administration staff met with the IG's office to discuss audit concerns and formal procurement risk assessment procedures. Staff explained the composition of internal controls regarding procurement training, purchase cards and third party drafts. A follow-up meeting will be scheduled soon to discuss risk designation levels. The Accounting Division also continues to work with SFA Administration to determine if refunding overpayments via ACH/EFT is feasible. Currently, SFA Administration manually processes third party payments to both the Direct Loan Program and private FFEL consolidators. If implemented, this improvement has cost reduction possibilities. IMPROVING SYSTEMS AND OPERATING PROCEDURES: To increase employee satisfaction, SFA Administration is surveying SFA business travelers after their return to determine the service areas most in need of improvement. The survey will be conducted until May 20. The response rate is 52%. To reduce costs, Budget Support Service is assessing our budget for ways to eliminate any possible budget shortfall. We are looking into using prior year funds to fund our portion of "Share-in-Savings," and analyzing our organizational splits, and future hiring and retirement possibilities to see if we can free up additional funds in these areas. FUNDS CONTROL/MONITORING: We have updated our spending plans to reflect new reapportionments based on revised modernization initiatives. IMPROVING ASSET MANAGEMENT CONTROLS: SFA Administration continues its physical inventory of all CFO IT assets. To date, 65% of CFO's IT assets have been reconciled against OCIO's audit report. IMPROVING FINANCIAL REPORTS: The Internal Review Division continues to work with the Management Improvement Team to reconcile the status of SFA action memorandums issued by the OIG and prepare reports on the status of open corrective actions related to SFA-specific audit reports.</p> <p>APRIL 13, 2001: Audit Management: For the fiscal year to date, have resolved 5 of 6 internal audits received; closed 8 of 18 open audits, and completed 22 of 34 open recommendations. Asset Management Controls: To address audit</p>	52%

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			<p>recommendations regarding discrepancies in SFA's asset inventory, we are conducting a physical inventory of all CFO IT assets and overseeing an SFA-wide physical inventory; updating the Asset Management Database for CFO inventory and overseeing the update of the Asset Management Database for SFA-wide inventory; and provided asset management database training to Channels and Enterprise offices as necessary. We also established policies and procedures to enhance internal controls of SFA Asset Management to prevent fraud, theft, and waste, which include: implementing a centralized procurement process for non-consumable IT merchandise and centralized receiving of procured IT merchandise; and we have separated procurement and receiving functions. We are in compliance with all standards set by ED, the OCIO Product Support Plan, IT Product Buying Guide, SFA Purchasing Handbook, and SFA Modernization Blueprint. Credit Card Controls: Issued SFA Purchasing Handbook. The information has also been posted on the DFO web page. Controls on Third-Party Checks: SFA Administration has implemented internal controls in response to the IG audit titled, "Results of the OIG Review of SFA's Internal Controls Over the Procurement of Goods and Services Using Third Party Drafts and Purchase cards." The CFO is also moving to eliminate third party checks and utilize EFT. Travel Controls: Provided numerous travel training sessions for HQ personnel and for administrative staff who process travel vouchers. Published and provided travel guidance and an SFA Travel Handbook on SFA's intranet. Currently working with ED on a new travel management system, called "Travel Manager."</p>	
61	CFO	17 Provide full accounting capability for all SFA programs through implementation of the Financial Management System using Oracle Federal Financial products.	<p><u>HISTORY</u> AUGUST 31, 2001: SFA-FMS is on schedule to have all financial data for all programs in the new financial management system by 9/30/01. FMS has successfully completed three of five releases under Phase III. The LEAP/SLEAP application and award processes were both implemented on schedule, April and May respectively. In August, FMS rolled into production the functionality to support the DCS and FFEL lender payment process. This functionality is undergoing two months of parallel testing. The August release also included the performance reporting process for LEAP/SLEAP, which is also in production. YEAR-END EXPECTATION: FMS IS ON SCHEDULE TO CUTOVER PRODUCTION FOR ALL OTHER PROGRAMS BY 9/30/01. AS OF OCTOBER 1, 2001, ALL FINANCIAL DATA FOR ALL PROGRAMS WILL BE IN ONE INTEGRATED SYSTEM, SFA'S FINANCIAL MANAGEMENT</p>	80%

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			<p>SYSTEM. SFA FMS WILL THEN INTEGRATE WITH THE DEPARTMENT'S FMSS ON OCTOBER 16, 2001.</p> <p>AUGUST 3, 2001: IMPROVING SYSTEMS: The Financial Management System (FMS) Requirements and Testing Division tested functionality for the August 1, 2001 rollout. FMS worked with the Financial Partners and Students' Channels along with CFO's Accounting to test feeds from Raytheon for the Debt Collection System and FFEL Lender interfaces. Both programs were moved to the production system for parallel testing on August 1.</p> <p>JULY 20, 2001: IMPROVING SYSTEMS: The Financial Management System (FMS) Requirements and Testing Division has been testing functionality for the August 1, 2001 rollout. FMS is working with the Financial Partners and Students Channels along with CFO's Accounting to test feeds from Raytheon for the Debt Collection System and FFEL Lender interfaces. Both programs will be moved into the production system for parallel testing beginning August 1. The FMS Division has also been working with the Schools and Students Channels to add Direct Loan functionality into the production system in August 2001. The Direct Loan functionality will be in the production environment by the early part of August for further parallel testing.</p> <p>JULY 6, 2001: IMPROVING SYSTEMS: Accounting Division staff and the FMS Team are meeting to review the financial reporting requirements currently performed by the Financial and Accounting Reporting System (FARS). CFO staff is reviewing financial reporting requirements currently performed by FARS so they can be integrated into FMS.</p> <p>JUNE 22, 2001: IMPROVING SYSTEMS: The FMS Team is providing an overview of FMS' design testing to CFO staff. The training will include an overview of FMS, the concepts of design testing, and a testing timeline. The Accounting Division, Accenture, and the FMS Team are continuing to meet with OCFO and Budget Services to discuss the treatment of accounting documents that need to interface with Oracle/FMS, and continue to work to develop a reconciliation between Loan Consolidation and FMS/Oracle. FMS and Accenture also met with the Accounting Division to review that office's financial reporting requirements.</p>	<p>75%</p> <p>69%</p> <p>67%</p> <p>60%</p>

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			<p>JUNE 8, 2001: IMPROVING SYSTEMS AND REDUCING COSTS = IMPROVING CUSTOMER SATISFACTION: The FMS team just completed the second of three releases for the LEAP/SLEAP program. This second release fully automates the award process. States and territories can calculate initial awards for recipients and can begin to draw down funds in July.</p> <p>MAY 25, 2001: IMPROVING FINANCIAL REPORTS: The Accounting Division, FMS, Budget Services, and Accenture continue to meet with ED's OCFO to discuss the treatment of Direct Loan accounting documents designed to interface with Oracle/FMS.</p> <p>May 11, 2001: SECURITY IT CONTROLS: FMS continues to work with OCIO to ensure that FMS is in compliance with new OMB security requirements. FMS TRAINING: FMS training continues with CFO offices. The workgroups are intended to promote understanding of the SFA account code structure and to develop account mapping solutions.</p> <p>APRIL 13, 2001: FMS is in Phase III of a multi-phase rollout that will result in SFA having its own financial management system. On Monday, April 2, the FMS team in partnership with the Financial Partners Channel released the first in a series of three releases that will result in re-engineering the application and award process for the LEAPP/SLEAPP program. The first release has resulted in fully automating the LEAPP/SLEAPP application process and has eliminated the need for the paper application.</p>	<p>57%</p> <p>52%</p>
62	CFO	18	<p>Provide infrastructure for assuring clean opinion on SFA's FY 2001 financial statement audit.</p> <p><u>HISTORY</u></p> <p>AUGUST 31, 2001: FY 01 FINANCIAL STATEMENT PREPARATIONS: SFA prepares monthly financial statement analytical reviews that include sources and use for each appropriation and relationship tests between the 5 standard financial statements. FRD has participated in weekly financial statement and audit steering committee meetings. SFA/FRD has created a team to implement SFFAS 10, capitalizing internally developed software, and is coordinating with OCFO on implementing SFFAS 18, detailed reporting on subsidy transactions. AD has worked diligently on meeting auditor requests for Prepared by Client (PBC) documentation, and has created a tracking sheet of what reconciliations are done and the variances being resolved. AD is involved in the FARS</p>	80%

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			<p>retirement, FFEL retirement and the design of COD. AD and RFD both participate on ED task forces to obtain a clean opinion, such as resolving the undelivered orders and reclassification of prior year subsidy transactions. AD and FRD are both contributing to the reconciliation of Fund Balance with Treasury, and have made significant advances in systems improvements to avoid differences in the future. YEAR-END EXPECTATIONS: AS OF 9/30/01, CFO WILL REPORT THAT WE HAVE 100% OF THE INFRASTRUCTURE IN PLACE TO ASSURE A CLEAN OPINION. THEREFORE, THIS PROJECT WILL BE COMPLETE AS OF 9/30/01.</p> <p>AUGUST 17, 2001: FY 2001 FINANCIAL STATEMENT PREPARATION: The Financial Reporting Division (FRD) has completed the June 30, 2001 Sources and Uses Analysis and reviewed Financial Statement Relationships and provided the analyses to OCFO. FRD is working to develop follow-on entries working with the Accounting Division and OCFO. The Accounting Division has processed a list of information (Prepared by Cclient list) requested by the auditors, Ernst & Young, for interim testing.</p> <p>WORKING TO RESOLVE AUDIT CHALLENGES: FRD has been meeting almost daily with Budget Services and OCFO staff to identify major problem areas that will impact the financial statements and to work together to resolve them. These meetings will be ongoing. FRD is also participating in the OCFO's Audit Steering Committee.</p> <p>RECONCILIATIONS: The Accounting Division and Financial Reporting Division continue to assist the OCFO on Fund Balance Reconciliations and to work on other reconciliations, including Loan Origination and Loan Servicing Reconciliations, the Direct Loan Transactions Summary Report Reconciliation, Non-Federal Collection Report Reconciliation, Unapplied Receivables Reconciliation, Loan/Advance Receivable Reconciliations, and LO/GOPS and LO/LC/FARS System Balancing.</p> <p>AUGUST 3, 2001: FY 2001 FINANCIAL STATEMENT AUDIT: Financial Reporting Division staff gave auditors the June interim financial statements, with analytics. RECONCILIATIONS: CFO staff has made 50% progress on reconciling the Fund Balances with the Treasury. We expect to have all completed by year-end.</p>	<p>72%</p> <p>70%</p>

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			<p>JULY 20, 2001: In order to provide the infrastructure for assuring a clean opinion on SFA's FY 2001 financial statement audit, Financial Reporting Division staff is preparing SFA's interim financial statements as of June 30th. These statements will include sources and uses analyses and relationship tests. FY 2001 FINANCIAL STATEMENT AUDIT: SFA's financial statement auditors, Ernst & Young, have started interim audit testing. They have prepared a list of information requested from SFA offices. CFO staff is coordinating this request. The auditors are also meeting with SFA offices to update their understanding of financial systems and procedures. RECONCILIATIONS: Financial Reporting Division staff continues to provide support for SFA's key reconciliations. These reconciliations include DCS, GA Forms 2000, and Fund Balances with Treasury. Accounting Division staff completed the reconciliation of IRS offsets and OPAC billing reports from January through May 2001.</p> <p>JULY 6, 2001: In order to provide the infrastructure for assuring a clean opinion on SFA's FY 2001 financial statement audit, CFO's Accounting and Financial Reporting Divisions continue to assist OCFO on the Fund Balance with Treasury reconciliation. A five-person team (including two Treasury contractors) has been established to clear up the unmatched schedules. Five meetings were held to discuss reconciliation problems with several schedules (DC, M, and L) and the Fund Balance with Treasury Reconciliation Project.</p> <p>UNMET</p>	
63	CFO	19 Enhance the SFA-wide activity-based costing module with our FMS and CFO data-mart to track unit costs and provide quarterly managerial reports on core business processes.	<p>COMPLETED</p> <p><u>HISTORY</u></p> <p>AUGUST 31, 2001: The CFO Cost Team is providing quarterly reports on FY 2001 activity-based costing information to SFA managers. This information can be found on an SFA shared drive, of which approximately 100 SFA managers and key personnel have access. The Cost Team is working with Analysis to link unit cost information to the balance scorecards. YEAR-END EXPECTATIONS: AS OF 8/21/01, CFO REPORTS THAT THIS PROJECT IS 100% COMPLETE.</p> <p>AUGUST 17, 2001: CFO presented its report to the Senior Leadership Council this week on how ABC would aid managers in reducing costs. The advantages of</p>	<p>100%</p> <p>75%</p>

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			<p>ABC over traditional models are: 1) tells managers the full cost of current processes and the drivers of those costs; 2) reveals opportunities for business process improvement and reengineering; and 3) it inserts customer values into managerial decision-making matrix.</p> <p>AUGUST 3, 2001: IMPROVING PROCESSES/REDUCING COSTS: The FY 2001 Cost Model has been updated for the first half of FY 2001. A cost steering committee meeting was conducted on 7/31/01. The purpose of the meeting was to: 1) review the previous Steering Committee meeting's decision; 2) present the final report for the Phase I Costing Initiative; 3) discuss upcoming cost initiatives that the Cost Team is evaluating (a) web-based reporting tool for ABC Model Results, (b) integration of ABC results with SFA's performance measures, and (c) automated survey and data collection tool; 4) review the upcoming calendar of events for the Cost Team; and 5) discuss the methodology for updating Channel/Enterprise offices' activities and drivers. The Cost Team is also working on the CFO's presentation for the FY 2002 targeted unit cost.</p> <p>JULY 6, 2001: IMPROVING PROCESSES/REDUCING COSTS: The Cost Team is reviewing the "QC" on the first half of the FY 2001 model and is updating ABC driver assignments.</p> <p>JUNE 8, 2001: IMPROVING PROCESSES/REDUCING COSTS: The Cost Team is preparing a final report for the ABC project. The report will include an executive summary, overview of the ABC project, data collection, model construction, and recommendations.</p> <p>MAY 25, 2001: IMPROVING PROCESSES/REDUCING COSTS: The Cost Team enhanced SFA's ABC Model to include business processes and activities cost for both the Channel and Enterprise office, and is now looking into linking the ABC Model Reporting with the Scorecard Process. The Cost Team is also working to secure a shared network drive to set up the ABC Model Results Reporting.</p> <p>MAY 11, 2001: IMPROVING PROCESSES/REDUCING COSTS: The Cost Team enhanced SFA's ABC Model to include business processes and activities cost for both the Channel and Enterprise Offices. Consequently, all SFA offices will now be able to track their reduction in unit costs. The SFA Cost Team</p>	<p>75%</p> <p>65%</p> <p>63%</p> <p>60%</p> <p>57%</p>

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				<p>developed a user-friendly reporting tool (MS Pivot Tables) for reporting the SFA Cost Model results. TRAINING: The Cost Team trained 58 SFA managers and key employees on the multidimensional cost reporting tool (i.e., MS Pivot tables).</p> <p>APRIL 13, 2001: The Cost Team has developed a pivot table as a reporting tool. This tool will make the reporting process less cumbersome for primary ABC users. The Cost Team sent out a pivot table to the Channels and Enterprise offices for a validation of reasonableness of FY 2000 cost. The pivot tables show various views of the Channels and Enterprise offices' FY 2000 cost.</p>	52%
64	Communi- cations		Expand SFANet (the SFA Intranet) to make it not only SFA's central communications tool, but THE transaction tool for SFA's internal business--like ordering IT equipment, travel reimbursement forms, etc.	<p>COMPLETED</p> <p><u>HISTORY</u> APRIL 27, 2001: Communications is partnering with CIO to design v.2 of SFANet. A contract has been awarded to ROH, Inc. for technical and content maintenance of the Intranet. We are on track to meet our goal by the end of FY 01.</p>	100%
65	Communi- cations		Develop and implement a national outreach campaign to promote use of key SFA electronic products, such as FAFSA on the Web and the DL Servicing Web site.	<p>COMPLETED</p> <p><u>HISTORY</u> APRIL 27, 2001: Communications has awarded a contract to Wallen Davidson to create a strategic promotion campaign for SFA's key electronic products.</p>	100%
66	SFA University		Design and deliver a course on student aid traditions to all SFA employees by December 15, 2000 that results in a renewed connection with SFA's history and mission, and strong links to the PBO's mission and standards.	COMPLETED	100%

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67	SFA University		Design and deliver a course on "SFA Front-to-Back" that will explain all of the steps and processes involved in delivering financial aid. This course will also be offered to our operating partners.	<p>COMPLETED</p> <p><u>HISTORY</u> JUNE 8, 2001: Classes began on schedule May 15, 2001. Registration system shows 986 SFA staff members have registered (80%) and 104 Operating Partner staff have registered.</p> <p>APRIL 27, 2001: Registration is under way for "SFA Front-to-Back." The course will be offered May 15 through June. At least one session will be offered in each region.</p>	<p>100%</p> <p>35%</p>
68	Ombudsman		Implement second generation Ombudsman Case Tracking System (OCTS 2.0) that includes: a. student customer web interface to initiate case and check case status b. assignment manager to distribute case work c. scripting for intake and case evaluation d. knowledge base of SFA policy and previous OCTS case results e. ad hoc reporting capabilities	<p>COMPLETED AUGUST 31, 2001: COMPLETED Completed to the limit of the current product, as of 11/01/00. Full web interaction requires a software upgrade that will be made as a part of the Consistent Answers project. Upgrade: Student customers initiate cases via the on-line feature at the ombudsman.ed.gov website. Their information comes to the ombudsman's office as e-mail; the information is moved to the OCTS and the case assigned to an ombudsman specialist. The specialist can transmit e-mail messages to the customer directly from OCTS 2.0 but the customer cannot access the case via the web. The full interaction originally envisioned requires a software upgrade we believe best delayed until it can be incorporated as a part of Consistent Answers.</p> <p>(a) COMPLETED Completed 11/1/00, revised 8/31/01 to more evenly distribute the case load.</p> <p>(b) COMPLETED Completed 11/1/01. The intake script has been used since implementation; the case evaluation script is used in a weekly customer satisfaction survey implemented as of 8/24/01 at our call center under our OMB-approved plan.</p> <p>(d) The knowledge base and case results functions are operational as of 11/01/00. However, populating the fields is delayed. The knowledge base of SFA policy will be an outgrowth of a project in the PDD and /or the Consistent Answers Project. The case results field is populated for some, but not all, cases, e.g. the cases from FY00. Efforts to do the additional entries have been delayed by the</p>	<p>100%</p> <p>100%</p> <p>100%</p>

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				<p>demand of current caseload on the ombudsman staff. We should be able to complete the work in FY 02 by hiring a consultant for 90-120 days.</p> <p>(e) COMPLETED Ad hoc reporting capabilities completed 11/1/00.</p> <p><u>HISTORY</u> APRIL 27, 2001: All milestones are on target, with the exception of the System giving customers interface capability for checking case status. We won't be able to have that capability without a product upgrade and significant systems security planning. Customers do have access to Ombudsman services via the Web, but full implementation of web interface depends on system upgrade.</p>	100%
69	Ombudsman		Develop and test feedback loop to give internal and external operating partners individualized quarterly reports of cases specific to their unit.	<p><u>HISTORY</u> AUGUST 31, 2001: 75% complete on 6/30/01. Will be 100% complete on 9/30/01. We took a multi-prong approach, developing contacts, summarizing data, and planning informal on-site visits. By June 30, we had visited 7 out of 10 Regional offices, met with Ombudsman contacts across the country (in conjunction with NCHELP Debt Management meeting) and visited 3 external partners sharing basic summary data about the cases involving their customers. The external relationships are positive, making it far more effective to the customer as we work together in resolving the individuals issues. The challenging part of this performance goal has been the creation of the quarterly reports. The inability to do quick matches with other SFA systems limits the ability to ask broader questions that arise after reviewing the numbers for a particular agency or unit. We will continue to refine this project through FY 02.</p>	75%
70	Analysis		Develop and implement a research agenda focused on collecting and evaluating program performance.	<p><u>HISTORY</u> AUGUST 31, 2001: On track to be completed by September 30, 2001. The IG study is 100% complete based on what we are required to do this year. There is one more installment that will be due at the end of October.</p> <p>APRIL 27, 2001: Outcome: <i>Develop a list of research projects</i> that includes statutorily-mandated studies SFA is responsible for conducting, and projects requested by SFA offices.</p>	

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				<p>For these research projects, <i>analyze SFA program data</i> to measure the impact of our services and program delivery. <i>Interpret the results</i> of the analyses, <i>develop recommendations</i> for improvements, and <i>prepare written reports</i> for use by SFA managers in strategic planning. As of April 16, the research agenda for 2001 includes:</p> <ul style="list-style-type: none"> • Consolidation of Defaulted Loans-requested by CFO to respond to OIG • Mid-year transfer behavior of students-requested by Program Development Division • Cohort Default Rate reduction initiatives-requested by COO. Research completed. Report of best practices published. • NSLDS responsiveness to customers-requested by COO. Research completed. Internal report identifying issues and recommending improvements published. 	
71	Analysis		Develop and implement a data collection and dissemination process that presents SFA-wide program data in an integrated format to all SFA managers.	<p>.</p> <p><u>HISTORY</u></p> <p>AUGUST 31, 2001: On track to be completed by September 30, 2001. Successful completion will require some hard work and support from the channels</p> <p>APRIL 27, 2001: Outcome: Biweekly report of enterprise-wide data developed through collaborative efforts with Senior Management and program delivery offices. The report will highlight significant changes in trends and volumes. Based on program trends, Program Analysis will work with managers to develop “triggers” than can be used to flag significant changes in information. The effectiveness of the triggers will be monitored over time. Data to be reported will include program statistics and service delivery information identified as necessary for enterprise-wide strategic planning and monitoring.</p>	
72	Analysis		Implement an electronic, web-based performance measurement system that will help increase visibility of our annual plan to all employees and simplify and automate the bi-weekly reporting process.	COMPLETED	100%

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73	Analysis		Pilot individual team-based scorecards.	<p>COMPLETED</p> <p><u>HISTORY</u></p> <p>AUGUST 3, 2001: We have completed the planning workshops with all managers for all channels, CIO and CFO. We have a signed agreement with the Union and we will start team workshops on Aug 7th.</p> <p>JULY 6, 2001: We have conducted planning workshops with the Student and Financial Partners Channels. During July we will conduct planning workshops with the CFO, CIO and Schools Channel. We hope to begin rolling out the scorecards to the teams selected for the pilot at the end of July or the beginning of August. The team rollout is dependent upon the resolution of a few outstanding issues with the union. We hope to address these issues at the planned July 25-27 Issue-based negotiation sessions.</p> <p>MAY 11, 2001: ON TRACK Contract signed with PSG to implement scorecards.</p> <p>APRIL 27, 2001: We are in the process of finalizing the implementation plan and are working towards finalizing the implementation contract. The plan calls for several series of high-level briefings that attempt to identify goals for each of the senior leaders as well as, ensure that the scorecard concept is universally understood. This will be followed by team-based workshops that culminate with the actual development of the team's scorecard.</p>	<p>100%</p> <p>75%</p> <p>5%</p>
74	Analysis		Simplification of FFELP Lender Due Diligence Regulations: With approval of the Deputy Secretary and after consultation with affected communities, PDD will develop a regulatory simplification proposal for lender participants in the FFEL Program. Specifically, this effort will concentrate on simplifying the "due diligence" requirement for lenders in FFEL. The objective will be to	<p>DROPPED</p> <p><u>HISTORY</u></p> <p>AUGUST 31, 2001: It is up to OPE and the Deputy Secretary to decide if this rulemaking will occur. There was a decision earlier this year not to tackle this or any regulatory issue during FY 01. It is not clear what they will decide for FY 02.</p> <p>MAY 11, 2001: Discussions on regulatory development, including issues related to lender due diligence, are being held by the Student Financial Aid Senior Policy Advisory Group. The next meeting of that group is May 12, 2001. At that time, we will have a better idea of whether a regulatory effort in the area of due diligence will proceed.</p>	

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			place our lender partners into a performance based environment where results, rather than detailed adherence to a set of rules will be measured.		
75	Analysis		Creation of an SFA Program Development Information Database: PDD, with the assistance from SFA's CIO, will develop, populate, and implement a system for electronic storage and retrieval of published policy guidance relating to the Title IV SFA programs. The database will be available to ED staff for use in performing their functions (i.e., training, oversight, customer support) while also creating an electronic "institutional memory" for the organization.	<p>DELAYED</p> <p><u>HISTORY</u></p> <p>AUGUST 31, 2001: Significant progress has been made, however we have been delayed by access to the development environment as well as delays in receiving information from the modernization partner regarding hosting solutions. Numerous meetings have been held with CIO/eCAD staff members and ITA staff members to ensure the requirements and standards are being met in developing this database. The Business Requirements and Due Diligence documents are complete and were submitted by us on time. We have been waiting since August 10, 2001 on a hosting solution from CSC. We are working with ITA for access to the development environment so that we can proceed with development and testing of the database. We are also meeting with ITA regarding the standards previously outlined for us regarding search capability. Depending upon when we are granted access to the development environment and what the options are for hosting, we hope to have the database active by December 31, 2001. Also, meetings have been held with the modernization partners in their efforts to develop the Consistent Answers database so that what we are developing will be compatible with Consistent Answers should there be a need for data in the PD Knowledge Database.</p> <p>MAY 11, 2001: Analysis staff recently met with staff from CIO/eCAD and it seems that progress may be forthcoming. The current performance plan calls for this project to be completed by May 31, 2001. This date has been revised to August 31, 2001.</p>	
76	SFA HR		Modify procedures to expedite the recruitment process (completion date of 6-30-01)	<p>DELAYED</p> <p>The Department's progress on their implementation of Quick Hire has been severely delayed due to the moratorium. However, ED Hires (as it will be called) has been approved and rollout /training will begin in September 2001. Full implementation of ED Hires is now expected to occur in early November 2001.</p>	

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				<p><u>HISTORY</u> APRIL 27, 2001: The Department of Education has started to implement a web-based recruitment application called Quick Hire. Quick Hire automates the federal recruitment process. The implementation of Quick Hire in ED is tentatively scheduled for May, 2001.</p>	
77	SFA HR		Implement new employee incentives and recognition programs that support the performance plan. (completion date 12-31-00)	<p>DELAYED</p> <p>On August 23, 2001, we received agency approval of a memorandum of agreement with the union on SFA's Scorecard Program. This approval has cleared the way for the next phase of union negotiations, which will include the SFA Awards & Recognition Program. The award program will be presented to the COO on 9/7/01 and union negotiations are scheduled for the week of September 10, 2001. If our negotiations are successful, we should be able to obtain ED approval of the program and implement in November 2001.</p> <p><u>HISTORY</u> APRIL 27, 2001: Changes to the draft SFA Awards and Recognition program are still being made. The latest changes will modify the proposed Partners in Excellence component of the program to make it a team-based award and to synchronize it with the requirements of the Scorecard program. We will meet with the Union on Thursday to discuss the Scorecard program. It is my hope that our meeting will provide some direction on how to proceed with the award program. If the Union accepts the Scorecard program, then we can proceed with a presentation of the SFA Award program to Senior Leadership next week. This relates to SFA's goal of improving employee satisfaction. Incentive programs such as this are directly linked to employee satisfaction, and the development of an SFA Award program was among the recommendations of the CSTF. This also relates to the goal of improving customer satisfaction, because the purpose of an incentive program is to provide recognition to employees for quality performance/service to our customers. Finally, three of the proposed award program components recognize employees for their contributions to the goals of SFA and/or their contributions to SFA's service standards.</p>	
78	SFA HR		Implement SFA Performance Development Process. (completion date of 05-01-01)	<p>DELAYED</p> <p>The PDP has been modified to remove the performance evaluation component of the program. It will now function exclusively as a program for employee</p>	

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				development. Union negotiations are currently scheduled for the week of September 10, 2001. If negotiations are successful, we should be able to implement in January 2002. <u>HISTORY</u> APRIL 27, 2001: The SFA PDP has been redeveloped to address the concerns of SFA Senior Leadership and the Union. We are working much closer with the Union on the program, but a 5-1-01 implementation date for the program is not possible.	
79	Acquisition and Contracts Performance		Implement a 'Partnership Program' to establish a better working relationship with SFA Operating Partners (OP). - Document OP contribution to our performance plan. - Improve communications between SFA and OP and among OPs. - Integrate OP into our customer support training.	COMPLETED	100%
80	Acquisition and Contracts Performance		Assume complete responsibility for the management of all SFA contracts, as well as all other acquisition efforts.	COMPLETED	100%
81	Acquisition and Contracts Performance		Complete adoption of performance measures to appropriate legacy contracts.	COMPLETED <u>HISTORY</u> AUGUST 31, 2001: Wave III of the contract transformation is scheduled for the week of September 10-13 at the Tides in Irvington, VA. The modernization partner contract (Accenture) has been identified for this wave. Because this contract crosscuts SFA's channels, enterprise offices, and Operating Partners, this contract will be the only one discussed during this week. This will conclude the legacy contracts. In early FY 02, re-negotiations of Raytheon's contracts and some of the smaller contracts will take place.	100% 90%

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				<p>JULY 20, 2001: Wave III of the contract transformation is scheduled to be held the week of September 9-14. The location has not yet been determined. The modernization partner contract (Accenture) has been identified for this wave. Because this contract crosscuts SFA's channels, enterprise offices, and Operating Partners, this contract will be the only one discussed during this week. The last wave, which will probably take place in November, will include NSLDS and some of the smaller contracts.</p> <p>APRIL 13, 2001: Wave II of the contract transition to performance-based is scheduled for the week of May 28th. The targeted contracts are the Virtual Data Center (VDC) and Direct Loan Servicing (DLS).</p>	40%
82	Acquisition and Contracts Performance		Ensure new contracts include consistent and value-added performance measures.	<p><u>HISTORY</u> AUGUST 31, 2001: All new contracts are being awarded with value-added performance measures. This project will be successfully completed this fiscal year.</p> <p>JULY 20, 2001: All new contracts are being awarded with value-added performance measures.</p> <p>MAY 25, 2001: All new contracts are being awarded with value-added performance measures.</p> <p>MAY 11, 2001: NO CHANGE</p> <p>APRIL 13, 2001: All new contracts are being awarded with value-added performance measures.</p>	90% 80% 70% 50%
83	Acquisition and Contracts Performance		Increase participation of small businesses in our contracts and in subcontracts by 5%.	<p>COMPLETED</p> <p><u>HISTORY</u> SEPTEMBER 13, 2001: After reviewing the subcontracting plans/actuals with our major contractors, it appears that SFA's A & CP will exceed our goal of 5%. We are developing plans to increase small business participation in FY 02. The plan includes having a small business conference early in FY 02 to allow small business to meet our Channel and Enterprise customers as well as our Operating</p>	100%

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				<p>Partners .</p> <p>JULY 20, 2001: After reviewing the subcontracting plans/actuals with our major contractors, it appears that SFA Acquisitions and Contract Performance will exceed our goal of 5%.</p> <p>MAY 25, 2001: Acquisitions and Contract Performance organization is identifying all new procurements that can be set aside for small businesses, women-owned businesses, and small/disadvantaged businesses.</p> <p>MAY 11, 2001: A & CP organization is identifying all new procurements that can be set aside for small businesses, women-owned businesses, and small/disadvantaged businesses.</p> <p>APRIL 13, 2001: Significantly increased the number of contract awards to small businesses, e.g. conference planning and branding of the new building.</p>	
84	Acquisition and Contracts Performance		Develop an automated contract management system to interface with SFA's FMS.	<p>COMPLETED</p> <p><u>HISTORY</u></p> <p>AUGUST 31, 2001: A & CP has identified our requirements for an automated contract management system. We have had discussions with three major vendors; AMS, Oracle, and Distributed Solutions, Inc. We are prepared to turnover our requirements to CF for the development of our contract management system.</p> <p>JULY 20, 2001: This project has been assigned to our summer intern. A&CP has identified our requirements for an automated contract management system. We have had discussions with three major vendors: AMS, Oracle, and Distributed Solutions, Inc. Demo of each vendor's solution has been tentatively scheduled over the next two weeks.</p> <p>MAY 11, 2001: NO CHANGE</p> <p>APRIL 13, 2001: In the process of developing contract management module for the SFA's FMS.</p>	<p>100%</p> <p>40%</p>

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85	Acquisition and Contracts Performance		Provide performance-based training on acquisition management to all SFA managers	<p>COMPLETED</p> <p><u>HISTORY</u> AUGUST 31, 2001: We have delivered performance-based training to senior level management. Because of the move to the new building and end-of-year activities, the training sessions for the remaining SFA managers will not be held until January 2002.</p> <p>JULY 20, 2001: We have developed performance-based training for senior level management. Because of the move to the new building and end-of-year activities, the training sessions will not be held until January 2002.</p> <p>MAY 11, 2001: NO CHANGE</p> <p>APRIL 13, 2001: Developing performance-based training for SFA leadership and Project/Program staff.</p>	<p>100%</p> <p>75%</p>
86	SFA wide	20	In order to eliminate costly corrections to printed documents, implement the recommendations of the Document Quality Control Group.	<p>COMPLETED</p> <p><u>HISTORY</u> APRIL 27, 2001: Currently, only technical publications and forms are proofed by the proofreading contractor. To date, a total of 16 technical publications and forms have been proofed by the contractor. This includes items such as the FAFSA, the SFA Handbook, and the EDEExpress Packaging Training to "Ensuring Student Loan Repayment."</p> <p>APRIL 13, 2001: Guidelines were developed for SFA publications. An SFA-wide presentation was made to publication "owners" by two proofreading and publication experts. A proofreading contract was implemented with Technical Quality Management, Inc. All SFA publications, in addition to undergoing an improved internal process, are automatically proofread by a professional proofreading organization before they are printed.</p>	100%
87	SFA wide		Test all new products or modules with actual "end-users" to identify all major "bugs" and deficiencies prior to product release.		

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